



# Building futures for students

UPP REIT Holdings Limited  
Consolidated financial statements  
for the year ended 31 August 2025

Registered No. 123688

# Contents

Year highlights	3	6. Segment information	69	27. Reserves	89
Who we are	3	7. Turnover	72	28. Retirement benefit schemes	89
Directors and advisors	3	8. Operating expenses	75	29. Profit/(loss) per share	91
Strategic report for the year ended 31 August 2025	4	9. Directors' remuneration	75	30. Related party transactions	91
Statement from the Chairman	16	10. Auditor's remuneration	75	31. Investments	92
Directors' report	32	11. Employee information	76	32. Non-controlling interests	94
Independent auditor's report to the members of UPP REIT Holdings Limited	36	12. Interest and similar income	76	33. Cash and cash equivalents	96
Consolidated statement of profit or loss	42	13. Interest and similar expense	76	34. Reconciliation of movements of liabilities to cash flows arising from financing activities	96
Consolidated statement of other comprehensive income for the year ended 31 August 2025	44	14. Tax on profit/(loss) on ordinary activities	77	35. Financial risk management	97
Consolidated statement of financial position	46	15. Intangible assets – Service Concession Arrangements	78	36. Capital commitment	100
Consolidated statement of changes in equity for the year ended 31 August 2025	48	16. Intangible assets – other	79	37. Subsequent Events	100
Consolidated statement of cash flows	50	17. Property, plant and equipment	80	38. Parent undertaking and controlling party	100
Notes to the financial statements	52	18. Leases	81		
1. General information	53	19. Current trade and other receivables	82		
2. Accounting policies	53	20. Current trade and other payables	82		
3. Impact of new accounting standards and interpretations – applicable 1 September 2024	66	21. Financial assets	82		
4. Impact of accounting standards and interpretations in issue but not yet effective	67	22. Financial liabilities	82		
5. Judgements and key sources of estimation uncertainty	68	23. Hedging activities and derivatives	85		
		24. Fair value measurement	87		
		25. Provisions for liabilities	88		
		26. Called-up share capital	88		



## Year highlights

### £246.1m gross rental income

Gross rental income increased by 7.0 per cent to £246.1 million.

### £137.8m in EBITDA

EBITDA (Earnings before interest, taxes, depreciation, and amortization) for the year increased by 15.0 per cent to £137.8 million.

### 97.5% occupancy

Occupancy for the year at 97.5 per cent.

### 88.4% of residents would recommend UPP accommodation

Continued to deliver high quality services to students, as evidenced by customer satisfaction scores of 88.4 per cent when residents were asked whether they would recommend UPP accommodation to future students.

### £16.6m asset investment

Continue to deliver a significant programme of asset investment totalling £16.6 million across the portfolio. Achieved a GRESB (Global Real Estate Sustainability Benchmark)<sup>1</sup> score of 95.0 per cent for 2024/25.

### Achieved Financial Close on the Exeter 4 project

Achieved Financial Close on the Exeter 4 project – initiating construction/refurbishment of residential accommodation of 1,849 beds for students in partnership with the University of Exeter.

### RoSPA Gold Award

The Royal Society for the Prevention of Accidents (RoSPA) awarded UPP its prestigious 'Gold Award' in recognition of excellent health and safety standards – for an eighth consecutive year.

<sup>1</sup> GRESB is the external independent sustainability standard across the asset management and real estate sectors, providing independent, quantitative assessment of our ESG performance

## Who we are

We are the UK's leading provider of on-campus residential accommodation infrastructure. Every day we support over 34,000 students on their journey through higher education, working with our university partners to create an amazing student experience.



### OUR PURPOSE

To enhance the way students live and learn at university by sustainably transforming the campus residential experience.



### OUR VISION

To be the leading, long-term infrastructure and services partner to UK universities by delivering and operating next-generation student accommodation.



### OUR STRATEGY

To preserve and grow the value of our business through partnership, innovation and delivery.

## Directors and advisors

<b>Directors</b>	David Montague Elaine Hewitt Mark Bamford Stuart Bousfield Kai Chen Chilei Kao <sup>2</sup> Suyu Wu <sup>3</sup> Siyuan Ma <sup>4</sup> Brian Welsh
<b>Secretary</b>	Citco Jersey Limited
<b>Auditor</b>	KPMG LLP 15 Canada Square London E14 5GL
<b>Registered office</b>	Second Floor, No. 4 The Forum, Grenville Street, St Helier, Jersey JE2 4UF

<sup>2</sup> Resigned 24 April 2025

<sup>3</sup> Appointed 24 April 2025 and resigned on 13 November 2025

<sup>4</sup> Appointed on 13 November 2025

# Strategic report

for the year ended 31 August 2025



# Strategic Report

## for the year ended 31 August 2025

The Directors present their report and financial statements for the year ended 31 August 2025

UPP REIT Holdings Limited (ISIN – JE00BF5PSP50) is a closed-ended UK REIT and was admitted to the Official List of The International Stock Exchange (TISE) on 8 March 2018. It is the Parent Company of UPP Group Holdings Limited, trading as UPP.

Established in 1998, we are the original and only multi-discipline, full-service Design, Build, Finance and Operate (DBFO) company that focuses on just the Higher Education sector. Since our inception we have been providing and operating on-campus, residential infrastructure for universities.

We remain focused on long-term partnership in everything we do for our university partners and their students. With our in-house expertise in design, construction management, funding and operating accommodation, we have an established and trusted reputation for delivering at scale and executing with efficiency and minimal risk. We bring new schemes to fruition that deliver tangible benefits for our university partners and investors, and a great experience for students.



## Our portfolio

We have over 34,000 rooms in operation through long-term partnerships with 15 UK universities:



### 1. UNIVERSITY OF EXETER

4131 ROOMS  
1,849 ROOMS IN CONSTRUCTION  
£343M TO BE INVESTED  
BY THE END OF 2028



### 2. UNIVERSITY OF READING

4982 ROOMS  
£276M INVESTED  
SINCE 2011



### 3. LOUGHBOROUGH UNIVERSITY

1310 ROOMS  
£61M INVESTED  
SINCE 2007



### 4. LANCASTER UNIVERSITY

4347 ROOMS  
£213M INVESTED  
SINCE 2003



### 5. IMPERIAL COLLEGE LONDON

1364 ROOMS  
MANAGED SINCE  
2011



### 6. UNIVERSITY OF YORK

1043 ROOMS  
£44M INVESTED  
SINCE 2001



### 7. SWANSEA UNIVERSITY

2432 ROOMS  
£141M INVESTED  
SINCE 2018



### 8. UNIVERSITY OF NOTTINGHAM

2223 ROOMS  
£115M INVESTED  
SINCE 2003



### 9. UNIVERSITY OF PLYMOUTH

1764 ROOMS  
£95M INVESTED  
SINCE 1998



### 10. UNIVERSITY OF HULL

1750 ROOMS  
£155M INVESTED  
SINCE 2017



### 11. UNIVERSITY OF LONDON

1711 ROOMS  
£245M INVESTED  
SINCE 2014



### 12. UNIVERSITY OF KENT

1840 ROOMS  
£103M INVESTED  
SINCE 2007



### 13. LEEDS BECKETT UNIVERSITY

479 ROOMS  
£25.6M INVESTED  
SINCE 2005



### 14. OXFORD BROOKES UNIVERSITY

771 ROOMS  
£38M INVESTED  
SINCE 2002



### 15. NOTTINGHAM TRENT UNIVERSITY

4413 ROOMS  
£154M INVESTED  
SINCE 2007



## Group Chief Executive Officer's statement



**// The results for the financial year ended 31 August 2025 reflect the ongoing resilience of the UPP business model, which delivers returns based on stable, long-term, RPI-linked revenues. //**

**Elaine Hewitt**  
Chief Executive Officer

The results for the financial year ended 31 August 2025 reflect the ongoing resilience of the UPP business model, which delivers returns based on stable, long-term, RPI-linked revenues.

The principal activities of the Group during the year continued to be the design, financing, development and operation of student accommodation.

During the year, the Group saw an increase in gross rental income of £16.1 million (7.0 per cent) to £246.1 million. EBITDA increased by 15.0 per cent to £137.8 million. The operational performance of the Group remains strong; the Group achieved an average of 97.5 per cent occupancy for the financial year ended 31 August 2025 and a student resident satisfaction rating of 88.4 per cent.

At the end of the financial year UPP reached Financial Close with the University of Exeter on the new Exeter 4 development – a large-scale, innovative Passivhaus scheme. The development will see UPP design, build, finance and operate 1,849 new and refurbished beds for students.

We continue our focus on environmental and social sustainability for the benefit of our university partners, our student residents and our people, as demonstrated by our GRESB (Global Real Estate Sustainability Benchmark) score of 95.0 per cent.

Over £16 million has been invested across sites during the course of the year. The assets offer a wide range of accommodation, priced on an inclusive basis, with services delivered by our experienced operational teams.



## Review of the year

### Operational performance

The Group's portfolio of student accommodation continues to perform well relative to other residential providers. Average occupancy across the portfolio totalled 97.5 per cent, with the majority of the portfolio achieving levels in excess of 99.0 per cent.

The Group observed lower portfolio occupancy secured for 2025/26 academic year compared to prior years in Nottingham and Hull, which has slightly reduced the overall portfolio performance. The lower occupancy in these locations is driven by underlying recruitment performance and a growing supply of purpose-built student accommodation providing increased competition. The Group is working on remedial plans to improve occupancy performance in those locations.

The attractiveness and effectiveness of the service offering we provide at our accommodation continues to be well regarded by our students, with surveys taken through the year receiving student residential satisfaction scores of an average of 88.4 per cent.

### Growing the business

The new Exeter 4 development with the University of Exeter will see UPP design, build, finance and operate the new residences by creating new accommodation in the existing Clydesdale and Nash area of the Streatham Campus and by converting existing accommodation at Birks Grange village. In total, the new development at Exeter 4 will provide 1,849 new and refurbished beds for students. The first tranche of students will be welcomed into the new accommodation in September 2027, with full occupation by September 2028. This is a sector first, off-balance sheet income strip residential development with a Russell Group university.

### Delivering for people, place and planet

Sustainability is an important issue, internally to our people and to our external stakeholders. We operate with purpose and have developed environmental, social and governance strategies that will make a tangible difference to our people, our residents and the communities in which we operate.

Progress in the past year has included reducing our water consumption by 4.0 per cent against an annual target of 3.0 per cent and reducing electricity consumption by 2.0 per cent and gas consumption by 4.0 per cent, again exceeding annual targets. We have also achieved our target increasing recycling rates and generated more social value, including through work to support charitable causes in the past year.

In addition, we continue to integrate climate risk into the design and development of our buildings, such as at Exeter 4 project, through Passivhaus certification.

### Investing in our assets

We continue to focus on the long-term strategic management of assets under operation. During the year we invested £16.6 million across the portfolio, including refurbishment of bathrooms and kitchens at the University of Nottingham's Broadgate Park site. Significant investment also took place at the University of Plymouth, with fire stopping and fire door remedials, as well as en-suite refurbishments and works to replace roofs.

At the University of Exeter, boiler and plant replacement works took place, as well as work to upgrade LED lighting. We also carried out substantial fire stopping and fire door remedial works at the University of Reading campus, along with external fabric repairs, including roof, boiler and plant replacement.

### Championing safety, health and wellbeing

In May we were awarded a Gold Award from the Royal Society for the Prevention of Accidents (RoSPA). This marks the eighth consecutive year of RoSPA Gold, demonstrating our commitment to health and safety excellence and our dedication to ensuring that colleagues, residents, customers and contractors get home safely at the end of the day.

### Leadership appointments

At the start of the financial year, we promoted two of our existing Executive Directors into expanded briefs, as part of an Executive team reorganisation. Simon Boorne was promoted to the role of Chief Investment Officer, bringing together our transaction, asset finance and investment functions. This was followed by Matt Burton taking on the role of Chief Partnerships Officer, providing executive leadership for university and sector relationships, SPV management, sales and corporate marketing activity.

In June 2025 William McGillivray was appointed in the new role of Chief Operating Officer. Willie joined UPP from senior living residential developer and operator McCarthy Stone where he worked as Operations Director, leading a team of 2,500 across 550 locations nationwide. He has a long and successful track record with many years' experience in the infrastructure/asset, construction and FM sectors.

In summary, UPP's business model remains robust and well positioned to continue to deliver strong operational and financial performance from a portfolio of assets that are central to the ongoing success of its university partners.

## Market review

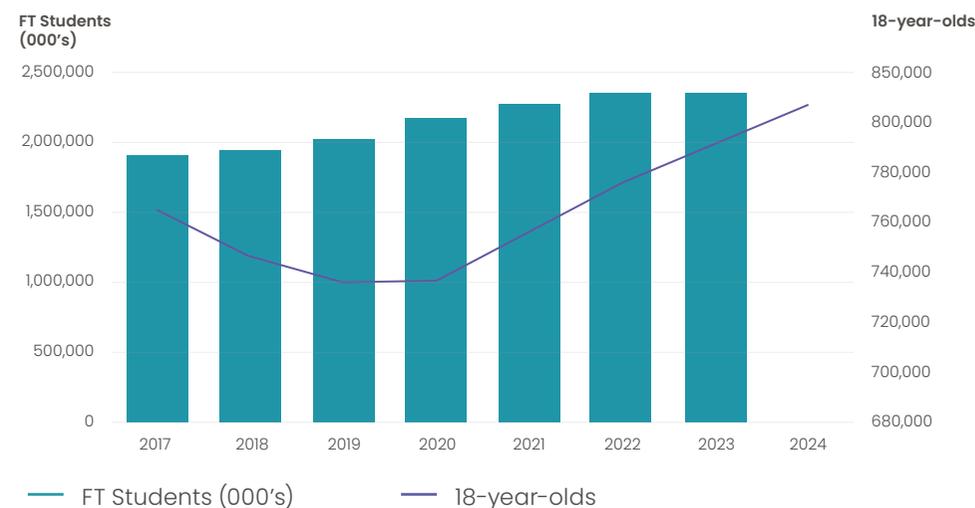
The UK Higher Education (HE) sector continues to maintain its reputation as a leading destination for students. Applicant data published by UCAS following the 30 June 2025 main scheme deadline identified that 665,070 applicants were seeking a university place for the academic year 2025/26. This was an increase of 1.3 per cent or 8,300 applicants year on year and 27,040 applicants higher than the pre-pandemic year of 2019/20.

In terms of the key demand cohort for the Company's accommodation (i.e. first-year undergraduates), the overall application rate for UK 18-year-olds reached 41.2 per cent, which is 0.7 per cent lower than last year but 2.3 percentage points higher than the pre-pandemic level of 38.9 per cent in 2019/20. With the growth in UK 18-year-olds, there has been a 2.2 per cent growth in the number of applicants from this cohort to 328,390 by the June deadline - a record high, despite the slightly lower participation rate. The number of applicants from the EU was stable at 21,430 (40 less than last year). Demand from outside the EU has risen by a further 2.7 per cent to 117,030 or the equivalent of 3,030 more applicants, with a total of 138,460 international students having applied by the main scheme deadline.

UCAS acceptances were even more positive and tracked 2.8 per cent ahead of last year (at the 28 days after Clearing measuring point) with the overall number of acceptances of UK 18-year-olds increasing by 3.7 per cent to 287,950, and overall there were 512,270 acceptances (all ages, all domiciles). As with last year, more students secured a place at higher tariff universities - 189,910 this year compared with 175,690 (+8.1 per cent) in 2024, while medium tariff institutions accepted 164,090 applicants (+1.6 per cent) and lower tariffs accepted 158,260 applicants (-1.8 per cent).

On this basis, the Directors remain confident both in the demand for UK HE and therein for residential accommodation.

UK full-time HE enrolment (y-axis) relative to the number of 18-year-olds in the UK (z-axis) 2017/18-2024/25



Source: HESA, ONS – graph uses latest data points available

Applicants for all courses by domicile group (at June deadline)

App. Domicile	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
England	418,940	427,290	456,190	458,980	446,530	438,110	442,720
Northern Ireland	18,520	18,150	19,390	18,430	17,630	17,190	17,440
Scotland	47,110	47,250	52,710	47,860	44,130	45,040	45,610
Wales	21,470	21,330	23,330	23,500	21,320	20,960	20,850
<b>UK</b>	<b>506,040</b>	<b>514,020</b>	<b>551,620</b>	<b>548,770</b>	<b>529,610</b>	<b>521,300</b>	<b>526,610</b>
EU (ex.UK)	50,310	49,350	28,120	23,160	22,400	21,470	21,430
Non-EU	81,680	89,420	102,280	111,720	115,650	114,000	117,030
<b>Total</b>	<b>638,030</b>	<b>652,790</b>	<b>682,010</b>	<b>683,650</b>	<b>667,660</b>	<b>656,770</b>	<b>665,070</b>

Source: UCAS

## Strategic framework

### Our Purpose

To enhance the way students live and learn at university by sustainably transforming the campus residential experience.

### Our Vision

To be the leading, long-term infrastructure and services partner to UK universities by delivering and operating next-generation student accommodation.

### Our Strategy

To preserve and grow the value of our business through partnership, innovation and delivery.

### Our Priorities

- » **Preserve:** Preserving value by actively managing our assets and investments and effectively managing risk and cost.
- » **Grow:** Developing new business opportunities with existing and new university partners and enhancing our revenue generation opportunities.
- » **Partner:** Acting as a true, long-term partner, working strategically in collaboration with universities and for the wider HE sector.
- » **Innovate:** Innovating to co-create affordable, sustainable development solutions.
- » **Deliver:** Focusing on operational excellence and strong service delivery.

### Our culture

Collaborative, commercial, customer and results oriented. A progressive and inclusive team which operates with energy, pace and passion.

### Our Model

Our bespoke model allows our university partners to develop their campuses and enable investment in their core focus areas of teaching and research.

We design and build new residential accommodation, refurbish stock, undertake estate transfers, and operate these facilities on a long-term basis. Key to this is delivering high-quality services to students to support a great student experience during their time in residence.

Our transactions are mainly undertaken on a demand-risk-transfer basis. This allows the asset developed to be accounted for on an off-balance sheet basis by our university partners, reverting to the partner in a prescribed condition at the end of each concession. In this way, our partners can use their resources more strategically to invest in other areas of importance, be it teaching, research or other infrastructure, whilst improving the quality of services to students.

UPP is organised into a number of business functions to leverage the full benefit of our multi-disciplinary expertise in the interests of our partners.

## Partnerships

*Responsible for partner sector engagement and occupancy*

Our Partnerships team is responsible for managing the day-to-day relationships with universities and the higher education sector more broadly. It ensures that each asset is performing as effectively as possible, partner relationships are working well and our occupancy position is optimised for long-term, mutual success.

## Investment

*Specialists in procuring higher education project finance and securing new business transactions*

Our Investment team is the originator of new partnerships and leads on new development projects and services. It is also responsible for the origination of all debt and equity financing.

Over the last two decades we have deployed more than £3.8 billion of senior, subordinated debt and equity. Our approach offers non-recourse off-balance sheet funding, ensuring our partners can use their financial resources to focus on their strategic priorities.

## Construction and capital programmes

*Long-term asset management of the portfolio*

Our Construction and Capital Programmes team is accountable for managing our assets for the life of each partnership. It develops and implements the Company's long-term asset management plan to manage investment in the portfolio.

The team is also responsible for managing contractors and subcontractors to deliver new schemes and asset improvement programmes.

## Residential services

*Delivering facilities management services*

Our Residential Services team provides a full range of facilities management (FM) services including cleaning, front of house, post room services and implementation of planned preventative and reactive maintenance.

With well over 25 years' experience in delivering high-quality specialist services to the HE sector, our team has a proven track record of delivering quality services to our partners and students, while transferring cost and delivery risk away from each university – based on an agreed payment mechanism, both for availability and performance.

The team manages the seamless operational mobilisation of each new partnership, ensuring that all services are in place for the start of the academic year; as well as expertly managing each annual intake of new students and their departure at the end of the academic year.



## Key financial performance indicators

The key financial performance indicators during the year were as follows:

	2024/2025 £'000	2023/2024 £'000
Turnover	266,924	235,930
EBITDA (Earnings before interest, tax, depreciation and amortisation)	137,751	119,826
Profit / (Loss) after tax	7,066	(14,519)

Key drivers behind the movements in key financial performance indicators above are:

- Turnover increased by 13.1% during the year, due to increases in student accommodation rental income and management and development services income related to the new Exeter 4 project.
- EBITDA increased by 15% to £137,751k, primarily due to the increase in rent turnover and income from Exeter 4 project development services, which was partially offset by costs related to Exeter 4 financial close.
- The group achieved a profit after tax of £7,066k in the current year, compared to a loss of £14,519k in the prior year. This is driven by the factors above and a lower inflationary uplift on index-linked debt.

Reconciliation of EBITDA to gross profit:

	Note	2024/2025 £'000	2023/2024 £'000
<b>Gross profit</b>		167,013	146,639
Operating expenses	8	(69,958)	(67,630)
Amortisation and depreciation	16	40,696	40,817
<b>EBITDA</b>		137,751	119,826

## Key financial performance indicators - continued

The appropriate key performance indicators of each of the core income streams of its subsidiary undertakings are:

### Subsidiary undertakings that provide student accommodation

The following is considered by the Directors to be an indicator of performance of the subsidiary undertakings that provide student accommodation and that is not necessarily evident from the financial statements.

	2024/25	2023/2024
Average application: acceptance ratio	7.71 : 1	7.72 : 1

The above measure shows how many students apply for one bed of accommodation provided by the Group.

The indicator above is directly related to the performance of the relevant university partners of these subsidiary undertakings, among other factors, and any changes in these statistics may potentially affect the performance of that subsidiary undertaking.

The Directors also monitor the nominated occupancy levels of the student accommodation facilities.

	2024/2025	2023/2024
Average occupancy across all facilities	97.5%	98.8%

Average occupancy across the portfolio totalled 97.5 per cent, with the majority of the portfolio achieving levels in excess of 99 per cent.

### Subsidiary undertaking that provides facilities management services

The Directors report that during the current year the number of bed spaces to which they provide services is 34,509 (2024: 34,588).

On behalf of the Board

M Bamford  
Director  
5 February 2026



## Risk management

We are purposefully structured to manage the risks and uncertainties associated with preserving and growing the value of our business through partnership, innovation and delivery. The section below details our Principal Risks and how we are mitigating them:

Principal Risk	How we mitigate the risk
<b>Strategic</b> External factors, such as reduced university enrolment, changing student mix and preferences, and university performance.	<ul style="list-style-type: none"> <li>• Collaborative partnership approach with top tier universities.</li> <li>• Targeted sales and marketing reviews focused on maximising occupancy.</li> <li>• Partnerships strengthened through nomination agreements aligned with rent-setting and marketing strategies.</li> <li>• Regular student satisfaction surveys to track evolving needs.</li> <li>• Sector analysis to adapt marketing strategies and service offerings to evolving market demand.</li> <li>• Focus on projects with robust demand profiles and mitigation plans developed for challenged sites.</li> </ul>
<b>Financial</b> Inflationary environment affects cost of delivery	<ul style="list-style-type: none"> <li>• Active cost management supported by robust procurement processes and contracting structures to secure pricing certainty.</li> <li>• Price hedging agreements and utilities reduction targets to mitigate energy market volatility.</li> <li>• Financial instruments and contractual mechanisms to limit exposure to rising interest rates and inflation, including rental income indexation.</li> </ul>
<b>Legal &amp; Regulatory</b> New regulatory requirements impact delivery of new developments and availability of existing assets	<ul style="list-style-type: none"> <li>• Active monitoring of regulatory developments and associated financial impacts to current and future projects. Implemented proactive measures to manage financial exposure.</li> <li>• External advisors and internal bid teams remain current on regulations.</li> <li>• Building and Fire Safety experts employed.</li> </ul>
<b>Strategic</b> University partner challenges affect the delivery of objectives	<ul style="list-style-type: none"> <li>• Regular engagement with university executives and monitoring of sector trends to identify risks early.</li> <li>• Offering solutions to increase demand security and optimise value.</li> </ul>
<b>Legal &amp; Regulatory</b> Policy changes influence student enrolment rates / mix	<ul style="list-style-type: none"> <li>• Monitoring of legislative/regulatory environment and react accordingly.</li> <li>• Engagement with policymakers and sector leaders to help shape and inform higher education policy.</li> <li>• Collaboration with university partners to strengthen marketing and allocation strategies, ensuring optimal occupancy and shared success.</li> </ul>
<b>Operational</b> Asset challenges contribute to void risk	<ul style="list-style-type: none"> <li>• Maintenance and improvements of assets via informed asset investment plan, underpinned by robust defects procedures.</li> <li>• Ongoing investment programme.</li> <li>• Strategic asset planning.</li> </ul>
<b>Operational</b> Operational technical non-compliance may lead to a serious incident	<ul style="list-style-type: none"> <li>• Active monitoring of compliance via internal and external operational reviews.</li> <li>• Investment in timely remediation and proactive assessment of legislative changes to maintain regulatory compliance.</li> <li>• Adoption of centralised operating model to support consistent, safe service delivery.</li> </ul>
<b>Sustainability</b> Uncertain government pathway to net zero	<ul style="list-style-type: none"> <li>• Closely monitoring changing government policy and domestic investment plan.</li> <li>• Sustainability programme, achieving year-on-year improvements in Global Real Estate Sustainability Benchmark (GRESB) score.</li> <li>• Collaboration with leading sustainable architecture firm.</li> <li>• Carbon and energy solutions through strategic estate reviews.</li> </ul>
<b>Strategic</b> Alternative localised supply options threaten occupancy levels	<ul style="list-style-type: none"> <li>• Investment in our portfolio to maintain a competitive and attractive offer.</li> <li>• Innovative products to strengthen market position.</li> </ul>

## Environment, social and governance (ESG)

Sustainability continues to be a key focus for UPP. The publication of our fourth Annual Sustainability Report – Building Sustainable Futures – in February 2026 will demonstrate our ongoing commitment in this space.

We continue to focus on environmental and social sustainability for the benefit of our university partners, our student residents and our people. A particular highlight for us is achieving a GRESB score of 95.0 per cent for 2024/25 (the latest reporting year).

### Environment

We have stretching targets through to 2030, with specific interim annual targets for each of the workstreams. This has been detailed in our [Sustainability Report](#).

#### Priorities and targets

- Carbon reduction programme across the portfolio including lighting, heating and meter reading to support with to support consumption reduction.
- Reduce water consumption by a further 3% against our 2023/24 baseline.
- 50% recycling of waste at source.
- Design to minimum Building Research Establishment Environmental Assessment Method (BREEAM) Excellent or equivalent on all new development projects.
- 5% biodiversity net gain on baseline.

#### Performance highlights

- 4% reduction in water usage, exceeding 3% target.
- 2.8% Biodiversity Net Gain achieved in year.
- Student behavioural change 'Think. Act. Save' campaign launched, achieving over 13,700 engagements with students. 86% of students said they would recommend participating in the Think. Act. Save programme to other students.
- Colleague innovation programme linked to 'Think. Act. Save' saw 64 energy-saving ideas submitted, with five winners selected to have their idea rolled out. Winning ideas included weather-indexed heating controls and the use of roof space for renewable energy.
- Achieved ISO14001 recertification.

### Social

#### Priorities and targets

- Make further tangible progress to the profile – in terms of gender, ethnicity, sexuality and disability – of our employee mix.
- Maintain an exceptional standard of health, safety and wellbeing.
- Ensure our people have the skills to progress and support disadvantaged people into employment at UPP.
- Support the places we are part of through volunteering and fundraising.
- Maintain and strengthen our support for the sector-leading UPP Foundation by donating £200k.

#### Performance highlights

- As at the end of FY2024–25, 54% of line managers were women, with 55% of Senior Management and Senior Leadership roles filled by women. 20% of colleagues in Senior Management or Leadership roles were from ethnically diverse backgrounds.
- We renewed our membership of Inclusive Employers and completed the Foundation Assessment.
- 28% of senior and leadership roles were made from internal appointments, and with over 50 colleagues completing leadership training in year, this means 79% of colleagues have now completed one of our leadership programmes.
- Achieved a RoSPA Gold Award for the eighth consecutive year.
- 10.0 per cent of staff trained as Mental Health First Aiders.
- 186 days of volunteering undertaken by UPP staff.
- £35,248 raised, matched and donated to charitable causes.
- The UPP Foundation delivered a pilot Student Sustainability Fund, in partnership with three universities (University of Exeter, Leeds Beckett University, and University of Hull), which supported student-led sustainability projects and paid internship opportunities in our London offices. It also delivered a high profile, sector Widening Participation Inquiry.



## Environment, social and governance (ESG) - continued

### Governance

#### Priorities and targets

- Enhance the Supplier Code of Conduct to include clear measures on social value, EDI, environmental protection, and anti-corruption practices.
- Refine audit procurement and supply chain practices and publish an annual statement to increase transparency in ethical sourcing.
- Reissue Anti-Money Laundering guidance and reinforce a zero-tolerance approach to corruption and bribery.
- Strengthen internal controls through fraud analytics and a segregation-of-duties review.
- Complete the Governance Review, present findings to the Group Board, and implement agreed actions.
- Embed ESG-related risks into all Group risk registers.
- Maintain a GRESB score of 90 or above to demonstrate continued ESG leadership.

#### Performance highlights

- Over 90% of active suppliers signed the Supplier Code of Conduct.
- Held a successful programme of Sustainability Workshops with over 350 colleagues across the business.
- Received over 60 innovative energy-saving ideas from colleagues via our Think Act. Save programme.
- Issued updated Anti-Money Laundering guidance and reinforced our zero-tolerance stance on corruption and bribery.
- Strengthened internal controls through targeted fraud analytics audits and a comprehensive segregation-of-duties review.
- Rolled out updated Whistleblower Programme communications to promote transparency.
- Completed a governance review against the QCA Code, enhancing alignment with best practice.
- Delivered fiduciary responsibility training for SPV Board Directors and diversity training for the Executive Team.
- Initiated the Group Governance Review, with findings implemented in-year.
- Integrated ESG considerations into risk management frameworks at all levels.
- Achieved a GRESB score of 95% for FY2024/25, maintaining strong sustainability performance.

## People

The high quality and capability of our people and our collective skills, expertise and experience define us, and we want to inspire all of our employees to achieve their potential.

Inherent within our people strategy and its implementation is a commitment to ensure the highest standards of inclusion, equity and diversity. Additionally we provide the opportunity for our employees to undertake paid volunteering and to receive matched funding via the UPP Foundation for their fundraising efforts.

We believe that equality of opportunity is essential for the successful and innovative development of both UPP and its communities. We are committed to promoting equality of opportunity, eliminating unlawful discrimination and valuing the different contributions and experiences of all our staff. We continue to hold a We Invest in People Gold Accreditation and to be a member of Inclusive Employers. In 2024/25 we built on the previous success of our EDI programme with focused training and network events on Neurodiversity and a targeted focus on promoting access to management career opportunities for underrepresented groups. We also continued to equip our teams with Mental Health Awareness and Mental Health First Aid training, with 10% and 16% of colleagues trained in each respectively.

## Health and Safety

The health, safety and wellbeing of all our employees and students is our most important priority as a business. We ensure that the highest standards of statutory technical health and safety compliance are in place across our portfolio, and these are audited on an ongoing basis and evidenced by our achievement of a RoSPA Gold Award for eight consecutive years. This focus is balanced with a clearly defined behavioural approach aimed at informing, educating and inspiring our teams and our students to recognise that safety is everyone's responsibility.

We have established policies and procedures in place for all colleagues, visitors, residents and others who may be indirectly or directly affected by our business.

We provide mandatory training, instruction and supervision to all employees and contingent workers to underpin our approach. The training is designed to reduce our organisational risks and comply with local or national policies and government guidelines.

Our approach is supported by externally accredited ISO45001:2018 compliance. In addition, UPP is accredited to environmental standard ISO14001:2015, and quality standard ISO9001:2015.

# Statement from the Chairman



# Statement from the Chairman



David Montague, Chairman

**On behalf of UPP REIT Holdings Limited, I am delighted to present our corporate governance report for the year ended 31 August 2025.**

The Group remains committed to maintaining the highest standards of governance, integrity, and transparency in accordance with the Quoted Companies Alliance (QCA) Corporate Governance Code (November 2023).

Strong governance underpins our strategy and culture, creating long-term, sustainable value for our shareholders, university partners, and wider stakeholders. The Group's strategic priorities: Preserve, Grow, Partner, Innovate and Deliver continue to guide how we operate and make decisions.

## Corporate governance statement

Governance within UPP is structured through a clear and effective four-tier model that ensures accountability, oversight, and risk management throughout the Group. This includes:

**1. UPP REIT Holdings Limited Board (parent company Board)**

Meets quarterly to oversee the strategic direction, performance, and governance of the Group, retaining reserved powers over strategy, budget, financial reporting, and key decision-making.

**2. UPP Group Holdings Limited Board (operating Board)**

Meets at least four times per year and focuses on operational and financial performance, delivery against strategic priorities, and compliance with agreed governance standards.

**3. Delegated Committees - The Investment Committee, Audit & Risk Committee, and Remuneration Committee**

Each Committee meets at least four times a year and operates under formal terms of reference approved by the Boards. The Committees provide specialist oversight and assurance on key areas of investment strategy, business controls, financial accounts, and employee remuneration, with regular reporting back to the Board.

**4. University Partnerships (SPVs)**

Each project-specific SPV maintains its own Board and Partnership Board, the former including university representation where minority shareholdings exist, strengthening transparency and collaborative governance at an operational level.



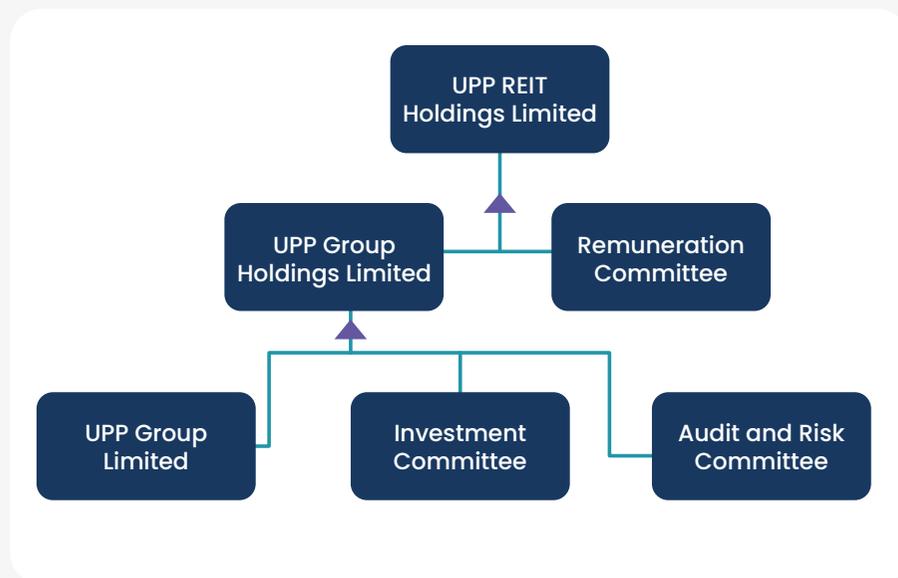
## Governance structure

The UPP REIT Holdings Limited Board oversees the strategic direction and governance of the Group and serves as the parent to the UPP Group Holdings Limited Board. While retaining certain key decision-making powers, such as those related to strategy and budgeting, the UPP REIT Holdings Limited Board has delegated other responsibilities to the UPP Group Holdings Limited Board and its committees.

Each Committee's terms of reference are reviewed every two years to ensure they remain fit, consistent with best practice, and aligned to the Quoted Companies Alliance (QCA) Corporate Governance Code. The next review is scheduled to happen in 2026.

The Board actively monitors organisational culture through employee engagement results, turnover rates, and values-based leadership discussions, ensuring alignment between culture and strategy.

### *Focused view of the governance structure*



## Board composition and effectiveness

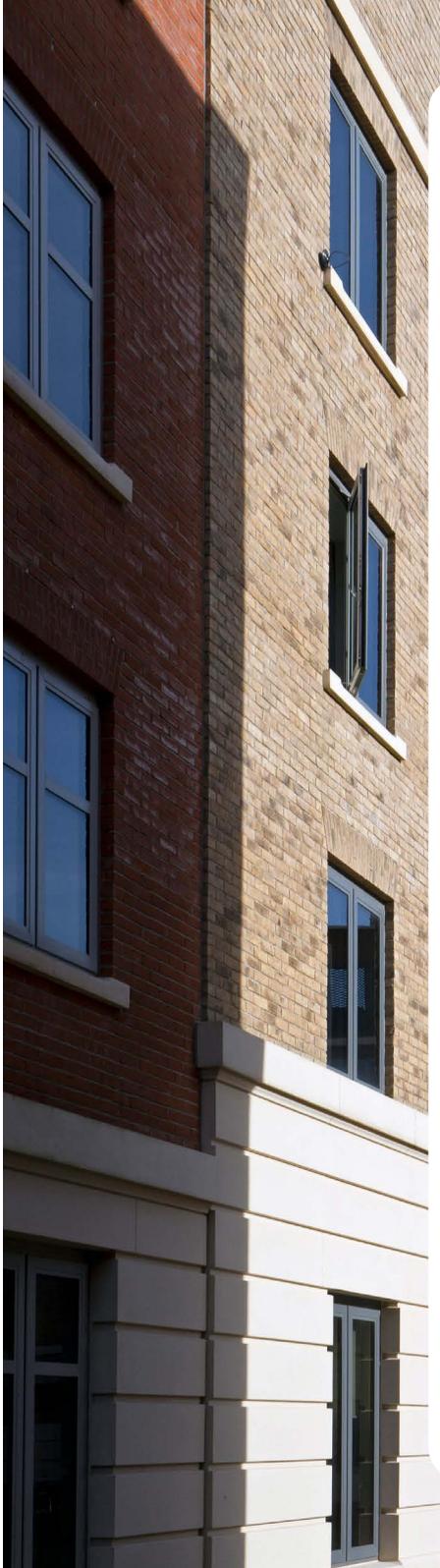
UPP REIT Holdings Limited Board is comprised of an Independent Chairman, the Chief Executive Officer, Chief Financial Officer, and Non-Executive Directors representing the shareholders. The UPP Group Holdings Limited Board has a similar composition, ensuring strong alignment between strategy, execution, and governance oversight.

The Boards collectively bring a balanced mix of commercial, operational, and governance experience, ensuring that no individual or group has undue influence. The Independent Chair provides objective leadership and ensures that the Board functions effectively and in the interests of all stakeholders.

The Board ensures that all Directors receive regular briefings and updates on sector, governance, and regulatory developments to maintain an appropriate balance of skills and knowledge.

Independence and diversity remain central to the Board's effectiveness. The Group recognises that diversity in experience, gender and background strengthens decision-making. While appointments are made on merit, the Board remains committed to promoting an inclusive culture and broadening diversity within the leadership pipeline.





## Roles of the Chairman, Chief Executive Officer and Board

The Board of UPP REIT Holdings Limited recognises the importance of a clear division of responsibilities between leadership roles, ensuring effective governance, independent oversight, and accountability across the Group.

The roles of the Chairman and Chief Executive Officer are clearly defined and separate to ensure an appropriate balance of authority and independence.

### Chair

The Chair leads the Board and is responsible for promoting the highest standards of integrity, governance, and Board effectiveness. The Chair ensures that all Directors contribute fully and that the Board operates as a cohesive, high-performing team.

The Chair's key responsibilities include:

- **Leadership and Culture:** Providing independent leadership of the Board, promoting integrity, transparency, and an open, inclusive culture that supports effective debate and constructive challenge.
- **Governance and Effectiveness:** Ensuring the Board operates in line with the QCA Code, with regular reviews of performance, composition, and succession planning.
- **Agenda Setting:** Shaping the Board agenda to focus on strategic priorities, long-term value creation, risk management, and stakeholder interests.
- **Director Enablement:** Facilitating an environment where each Director has timely access to accurate, relevant information and sufficient opportunity to contribute their expertise.
- **Stakeholder and Shareholder Engagement:** Ensuring the Board understands the perspectives of shareholders and key stakeholders, and that these inform decision-making and strategy.
- **Relationship with Management:** Maintaining a close and effective working relationship with the CEO and senior management, built on mutual trust and respect, without compromising independent oversight.

### Chief Executive Officer

The Chief Executive Officer is responsible for the day-to-day leadership and management of the Group, the development and execution of the Group's strategy, and delivery against the objectives set by the Board.

The CEO ensures that:

- the Group operates within the risk appetite and strategic parameters defined by the Board;
- Board-approved decisions and policies are implemented effectively;
- operational performance, risk, and financial results are monitored and reported transparently; and
- the organisation's culture, values, and behaviours are embedded throughout the business.

The CEO is supported by the Executive Leadership Team, which collectively manages business performance, oversees operational delivery, and implements Board decisions.



## Roles of the Chairman, Chief Executive Officer and Board - continued

### Board

The Board provides entrepreneurial leadership within a framework of controls that enable risk to be assessed and managed. Its principal role is to ensure the sustainable success of the Group for the benefit of its shareholders, university partners, employees, and wider stakeholders.

The Board's key responsibilities include:

- **Strategic Oversight:** Setting and monitoring the Group's strategy and long-term objectives.
- **Performance and Accountability:** Monitoring operational and financial performance, ensuring that objectives are met and that management is held to account.
- **Constructive Challenge:** Providing support and robust challenge to the Executive Team, ensuring decisions are well-informed and aligned with the Group's purpose and values.
- **Risk and Internal Control:** Establishing and maintaining a sound system of risk management and internal control to safeguard the Group's assets and reputation.
- **Culture and People:** Promoting a positive corporate culture consistent with the Group's values and overseeing succession planning and talent development.
- **Governance and Compliance:** Ensuring adherence to all legal, regulatory, and governance obligations and promoting continuous improvement in corporate governance standards.
- **Stakeholder Engagement:** Considering the interests of key stakeholders, including shareholders, employees, universities, and debt investors, when making decisions.

### Matters Reserved for the Board

The Board retains ultimate responsibility for directing the affairs of the Group and has formally adopted a Schedule of Matters Reserved for the Board to ensure that strategic control is maintained.

The Board is accountable for setting high standards of conduct, managing risks, and ensuring effective internal controls to comply with applicable laws, rules, and codes.

These reserved matters include, but are not limited to:

- approval of the Group's overall strategy, business plan, and annual budget;
- oversight of risk appetite and internal control systems;
- approval of major capital expenditure, acquisitions, or disposals;
- approval of financial statements, dividend policy, and capital structure decisions;
- governance structure and Committee terms of reference;
- remuneration of the Chair and Executive Directors;
- appointment and removal of Directors and Company Secretary; and
- approval of key policies relating to compliance, ethics, and stakeholder engagement.

The schedule is reviewed annually to ensure it remains appropriate and consistent with best practice and the Group's governance framework.

### Board Composition and Balance

The Board is composed of members with a balanced mix of skills, experience, and independence to provide effective leadership and oversight. The combination of Independent, Executive, and Non-Executive Directors ensures that no individual or group dominates decision-making. The Board regularly reviews its composition to maintain an optimal balance of expertise and diversity in line with the QCA Code and the Group's evolving strategic needs.

## Executive Leadership Team

The Executive Leadership Team is responsible for leading and managing the Group's day-to-day operations. Their duties include formulating the Group's strategy, recommending it for URHL approval, and executing the approved strategy.

Directors	Status
<b>Elaine Hewitt</b>	Chief Executive Officer
<b>Mark Bamford</b>	Chief Financial Officer
<b>Simon Boorne</b>	Chief Investment Officer
<b>Kelly Stafford</b>	Chief HR Officer
<b>William McGillivray</b>	Chief Operating Officer (Appointed 5 June 2025)
<b>Matt Burton</b>	Chief Partnerships Officer
<b>Billy Sutch</b>	Executive Director – Residential Services
<b>Adam Tyson</b>	Executive Director – Construction and Capital Programmes

## UPP Group Holdings Limited Board of Directors

Directors	Status
<b>David Montague</b>	Independent Chair
<b>Elaine Hewitt</b>	Chief Executive Officer
<b>Mark Bamford</b>	Chief Financial Officer
<b>Stuart Bousfield</b>	Non-Executive Director/Shareholder Representative
<b>Kai Chen</b>	Non-Executive Director/ Shareholder representative
<b>Suyu Wu</b>	Non-Executive Director/ Shareholder representative (appointed 24 April 2025)
<b>Brian Welsh</b>	Non-Executive Director/ Shareholder representative
Chilei Kao	Non-Executive Director/ Shareholder representative (resigned 24 April 2025)

*Bold denotes current Directors*



## Changes to the Membership of the Board

For the financial year ended 31 August 2025, the changes in the composition of the UPP REIT Holdings Limited Board and UPP Group Holdings Limited Boards are as follows:

- Chilei Kao resigned on 24 April 2025
- Suyu Wu appointed on 24 April 2025

Changes in the composition of the UPP REIT Holdings Limited and UPP Group Holdings Limited Boards from 31 August 2025 are as follows:

- Suyu Wu resigned on 13 November 2025
- Siyuan Ma was appointed on 13 November 2025



### David Montague, Chairman since 9 July 2024

David was appointed Chairman of UPP Group Holdings Limited in 2024 and is additionally the Chair of the Audit and Risk Committee of UPP Group Holdings Limited, the Investment Committee and Remuneration Committee of UPP REIT Holdings Limited. David brings a wealth of experience in housing development and management. He spent 33 years at L&Q, a leading residential developer and housing association, holding both the CFO and CEO positions. He is a Chartered Accountant and a Fellow of the Royal Institute of Chartered Surveyors (RICS) and holds various non-executive positions in the housing sector.

David's skills and experience make him well qualified to ensure that each meeting is planned effectively, conducted in an orderly and appropriate manner and that each member is recognised for their skills and experience. This includes supporting the CEO and assisting in the supervision of other members of the Executive. David is well placed to provide constructive challenge and guidance where required.



### Elaine Hewitt, Chief Executive Officer

Elaine was appointed Chief Executive Officer of UPP in 2020, to lead and deliver on UPP's strategic commitments to operational excellence, long-term partnerships and generating value for reinvestment in the future growth of the business. She has significant knowledge and expertise in property and facilities management, gained most recently during her role as Chief Executive Officer for NHS Property Services Ltd where she was responsible for managing and servicing a £3bn asset portfolio, some 4,000 properties, 5,000 employees and an annual income of more than £700m.

Prior to this, Elaine was a Crown representative in the Cabinet Office and held the position of Group Property Director at BT Group PLC where she managed the largest corporate portfolio in the UK, delivering services to 7,000 properties globally. Elaine is a Fellow of Royal Institute of Chartered Surveyors.



### Mark Bamford, Chief Financial Officer

Mark was appointed CFO in 2022, joining UPP from Thames Water where he was Group Financial Controller and Finance Director Operations and Capital Delivery from 2017. Mark has 25 years of experience in the telecommunications, utilities, financial and professional services sectors.

Before joining Thames Water, Mark spent six years at Arqiva, the UK communications and broadcasting infrastructure company, in the roles of Finance Director and Director, Wireless Infrastructure Management. Mark has also held a role as Vice President at Macquarie Group, the global financial services provider, and qualified as a Chartered Accountant in 2001.

## Boards' activities

### Name:

**UPP REIT Holdings Limited**

### Chair:

David Montague

### Members:

Elaine Hewitt

Mark Bamford

Stuart Bousfield

Kai Chen

Chilei Kao (resigned 24 April 2025)

Suyu Wu (appointed 24 April 2025)

Brian Welsh

Changes in the composition of the UPP REIT Holdings Limited Board from 31 August 2025 are as follows:

- Suyu Wu resigned on 13 November 2025
- Siyuan Ma was appointed on 13 November 2025

### Number of meetings in 2024/25:

Four

### Attendance

	Attendance percentage
David Montague	100%
Elaine Hewitt	100%
Mark Bamford	100%
Stuart Bousfield	100%
Kai Chen	100%
Chilei Kao	100%
Brian Welsh	100%
Suyu Wu*	0%

\*One meeting between 24 April 2025 to 31 August 2025

### Role of the Board

The UPP REIT Holdings Limited Board is responsible for overseeing the stewardship, accountability, and leadership of the Company, offering clear guidance and supervision on its strategic direction and alignment with corporate goals. Board members receive comprehensive, clear, and accurate information on topics to be discussed well in advance and are expected to attend the majority of meetings each year.

### Key activities for the year:

- Approved the Three-year Strategic Business Plan.
- Approved 2024/2025 Budget.
- Approved 2023/2024 Financial Statements.
- Approved the 2025 Tax Strategy.
- Approved a Property Income Distribution for the financial year 2023/24.
- Approved financial close for University of Exeter, Exeter 4 project.



**Name:**  
**UPP Group Holdings Limited**

**Chair:**  
David Montague

**Members:**  
Elaine Hewitt  
Mark Bamford  
Stuart Bousfield  
Kai Chen  
Chilei Kao (resigned 24 April 2025)  
Suyu Wu (appointed 24 April 2025)  
Brian Welsh

Changes in the composition of the UPP Group Holdings Limited Board from 31 August 2025 are as follows:

- Suyu Wu resigned on 13 November 2025
- Siyuan Ma was appointed on 13 November 2025

**Number of meetings in 2024/25:**

Four

**Attendance**

	Attendance percentage
David Montague	100%
Elaine Hewitt	100%
Mark Bamford	100%
Stuart Bousfield	75%
Kai Chen	100%
Chilei Kao	75%
Brian Welsh	100%
Suyu Wu*	0%

\* One meeting between 24 April 2025 to 31 August 2025

**Role of the Board**

The UPP Group Holdings Limited Board is responsible for overseeing the Company's stewardship, accountability, and leadership, offering clear guidance and supervision on its strategic direction and alignment with corporate goals. Members receive comprehensive, clear, and accurate information on all matters for consideration well in advance of meetings.

**Key activities for the year:**

- Reviewed and recommended 2024/25 Budget.
- Reviewed and approved Tax Strategy.
- Recommended to the UPP REIT Board for approval of the Three-year Strategic Business Plan.
- Recommended to the UPP REIT Board the financial close for the University of Exeter, Exeter 4 project.
- Recommended a Property Income Distribution.
- Governance Review.
- Reviewed and recommended 2025/26 Budget.



**Name:**  
**Audit and Risk Committee**  
**(a committee of UPP Group Holdings Limited)**

**Chair:**  
 David Montague

**Members:**  
 Stuart Bousfield  
 Kai Chen  
 Chilei Kao (resigned 24 April 2025)  
 Suyu Wu (appointed 24 April 2025)  
 Brian Welsh

Changes in the composition of the Audit and Risk Committee from 31 August 2025 are as follows:

- Suyu Wu resigned on 13 November 2025
- Siyuan Ma was appointed on 13 November 2025

**Number of meetings in 2024/25:**  
 Four

**Attendance**

	Attendance percentage
David Montague	100%
Stuart Bousfield	50%
Kai Chen	100%
Chilei Kao	50%
Brian Welsh	75%
Suyu Wu*	0%

\* One meeting between 24 April 2025 to 31 August 2024

Additional attendees are invited to attend meetings to assist with committee business.

For 2024/25, these included key internal leads. Chief Financial Officer Mark Bamford attended all meetings during the financial year.

**Role of the Committee**

The Committee monitors the integrity of financial reporting and reports to the Board on any significant issues or judgments within the financial statements. It also reviews the adequacy and effectiveness of the Group’s internal controls and risk management practices to ensure risks are identified, assessed, managed, and controlled effectively. Additionally, the Committee oversees the relationship with the external auditor. Committee members receive comprehensive, clear, and accurate information on all matters under consideration well in advance of meetings.

**Key activities for the year:**

- Reviewed the 2023/24 financial statements and associated reporting on the audit work and findings from the external auditors.
- Reviewed the 2024/25 financial statements audit plan proposed by the external auditors.
- Approved the 2025 Internal Audit Plan and monitored progress throughout the year.
- Reviewed all internal audit reports and recommendations and assessed the effectiveness of internal control frameworks.
- Evaluated management’s responses to audit findings to ensure timely and adequate action.
- Reviewed the top-level risk register and mitigating actions and discussed emerging risks.
- Assessed the effectiveness of the Risk Management programme in identifying risks and associated mitigating activity and maintaining accurate risk registers.
- Monitored the integrity of the financial statements.
- Received regular updates from the external auditors.



**Name:**  
**Investment Committee**  
**(a committee of UPP Group Holdings Limited)**

**Chair:**  
David Montague

**Members:**  
David Montague  
Stuart Bousfield  
Kai Chen  
Chilei Kao (resigned 24 April 2025)  
Suyu Wu (appointed 24 April 2025)  
Brian Welsh

Changes in the composition of the Investment Committee from 31 August 2025 are as follows:

- Suyu Wu resigned on 13 November 2025
- Siyuan Ma was appointed on 13 November 2025

**Number of meetings in 2024/25:**  
Five

### Attendance

	Attendance percentage
David Montague	100%
Stuart Bousfield	100%
Kai Chen	100%
Chilei Kao*	100%
Brian Welsh	100%
Suyu Wu*	0%

\* Two meetings between 24 April 2025 to 31 August 2025

### Role of the Committee

The Committee is responsible for scrutinising and challenging the business cases underpinning proposed transactions, sanctioning both the costs and commercial terms for all significant investments across the Group. Members receive detailed, clear, and accurate information on all matters under consideration well in advance of meetings.

Additional attendees are invited to attend meetings to assist with committee business. For 2024/2025 these have included Chief Executive Officer Elaine Hewitt, Chief Financial Officer Mark Bamford and Chief Investment Officer Simon Boorne, who attended all meetings during the financial year.

### Key activities for the year:

- Oversight of the group's investment and performance.
- Review of existing investments and performance.
- Review and approval of potential investment proposals, opportunities, bids, and appraisals.
- Approved financial close for University of Exeter, Exeter 4 project.



**Name:**  
**Remuneration Committee**  
**(a committee of UPP REIT Holdings Limited)**

**Chair:**  
David Montague

**Members:**  
Stuart Bousfield  
Kai Chen

**Number of meetings in 2024/25:**  
Four

### Attendance

	Attendance percentage
David Montague	100%
Stuart Bousfield	100%
Kai Chen	100%

*The Chief HR Officer, Kelly Stafford and Chief Executive Officer, Elaine Hewitt, attended all meetings during the financial year.*

### Role of the Committee

The Remuneration Committee is responsible for establishing and overseeing formal and transparent procedures on the recruitment and remuneration of executives, as well as setting individual Directors' remuneration packages. The Committee reviews and makes recommendations to the Board on the total compensation packages for the Group's Directors and senior executives, with support from external consultants as needed.

Committee members receive clear, accurate, and comprehensive information on all matters for review well in advance of meetings.

Our remuneration structure is designed to support the Company's long-term purpose, strategic objectives, and sustainable business model. It promotes a culture of performance and accountability by aligning reward outcomes with the delivery of our strategic priorities and the creation of long-term shareholder value.

### Key activities for the year:

- Approved the annual budget for pay and performance awards.
- Approved the remuneration of the Executives within its remit.
- Supported Executive recruitment.



## Quoted Companies Alliance ('QCA') Corporate Governance Code ('the Code')

The Board of Directors ('the Board') of UPP REIT Holdings Limited ('the Company') recognises that effective corporate governance is fundamental to achieving long-term success and delivering sustainable value for shareholders and stakeholders. In alignment with The International Stock Exchange (TISE) Listing Rules, the Board has voluntarily adopted the Quoted Companies Alliance (QCA) Corporate Governance Code ('the Code'), which sets out ten principles of good governance focused on delivering growth, maintaining a dynamic management framework, and building trust.

The Company has reviewed the updated QCA Code requirements and is preparing to ensure full alignment during the forthcoming financial year. This ongoing alignment underscores the Board's commitment to transparency, accountability, and the highest standards of governance across the Group.

## Board Evaluation and Succession

The Board is committed to continuous improvement. The last Board and Committee effectiveness review was completed in 2021, with the next review planned in 2026 following the appointment of the new Chair. Future evaluations will be undertaken at least every three years, in line with the QCA Code, with interim reviews annually.

Succession planning remains an ongoing focus. The Board reviews succession and talent plans annually to ensure business continuity and leadership capability in the pipeline for both executive and non-executive roles.

## Board Diversity

The Group fully recognises the benefit of diversity in driving effective decision-making and innovation. While no fixed diversity quotas are applied, recruitment processes for Board and senior roles take into account gender, ethnicity, experience, and cognitive diversity, alongside merit and capability.

The Board's focus remains on appointing the most qualified candidates, while ensuring balanced representation and diverse perspectives that strengthen governance and performance.

## Conflicts of Interest and Related Parties

Under the Company's Articles of Association, the Board may authorise actual or potential conflicts of interest imposing conditions or limits as necessary. Each Director discloses any external appointments or interests that may give rise to a conflict and is required to update these annually or as circumstances change. At the start of each Board and Committee meeting, Directors declare any relevant interests and abstain from related discussions. All potential conflicts and authorisations are recorded in the minutes, with a Register of Interests and Related Parties maintained by the Company Secretary.

Decisions to authorise conflicts are taken without the participation of the conflicted Director(s), ensuring compliance with Directors' duties and adherence to good governance practice.



## Risk Management

Risk Management at UPP supports the business to identify, assess, and mitigate both risks and opportunities. Risks are identified across all levels of the organisation, facilitated by Risk Management and the Risk Champion network.

Risk appetite, or the level of risk the Company is willing to take to achieve strategic deliverables, is embedded in the individual risk assessment process. Each risk is evaluated by analysing its root causes, potential impact, and likelihood of materialising. The resulting risk score is compared against the Company's risk appetite to determine appropriate treatment and any further mitigating actions required.

Risk registers are maintained at executive, functional, and site levels and reviewed through governance forums, including the UGHL Board, its Committees, and the quarterly Risk Forum. This approach supports both top-down and bottom-up accountability. The UGHL Board oversees the Risk Management programme, with responsibility delegated to the Audit and Risk Committee (ARC), which receives regular updates on risk management and reviews the top risks and mitigations identified by the Executive Leadership Committee (ELC).

Annually, the ELC sets out the Company's top risks as part of our strategic planning process, ensuring alignment between critical strategic deliverables and risk mitigation activities. This includes analysing root causes, business impacts, key risk indicators, existing controls, and progress on planned mitigations. The ELC also assesses whether further action is needed to mitigate risks to the Company's appetite. These top risks are discussed bi-monthly, including any changes to risk ratings and updates on mitigation activities.

Risk Champions maintain functional risk registers by facilitating reviews with risk owners, updating the risk entries, and identifying emerging risks for escalation to the Risk Forum. Risk Management hosts the quarterly Risk Forum, and liaises between functional business areas, the ELC, and the ARC, escalating emerging risks up or communicating executive risks down as needed.

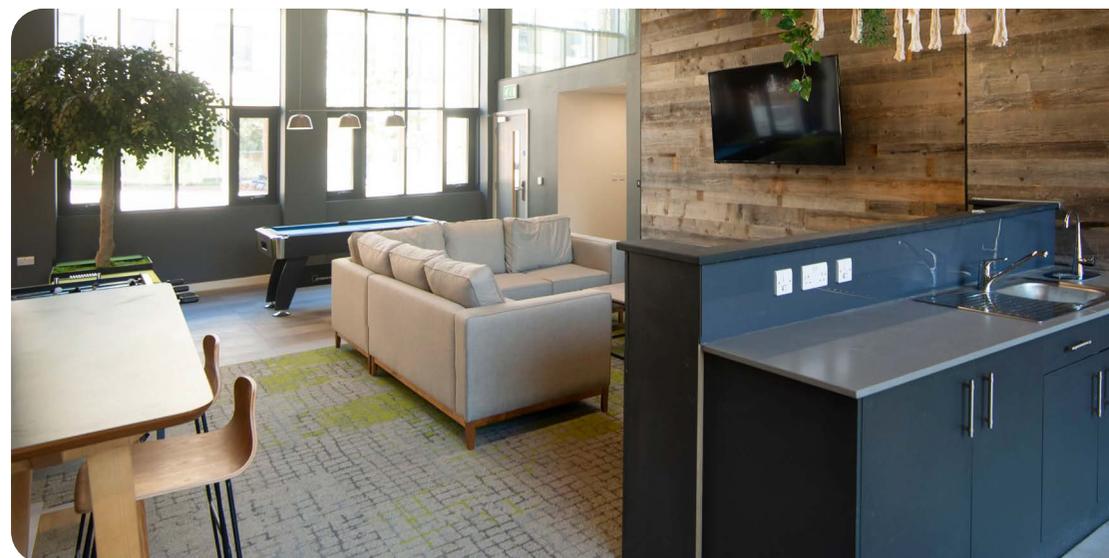
## Internal Audit

Internal Audit provides independent assurance and challenge over the Company's governance, risk management, and internal control frameworks. It contributes to the achievement of strategic deliverables by assessing control frameworks, identifying areas for improvement, promoting accountability, and reinforcing a culture of continuous improvement.

Oversight of the Internal Audit function resides with the UGHL Board, which has delegated the authority to the ARC. The Committee oversees the annual audit plan, evaluates all internal audit reports, and monitors management's progress in addressing key findings. Internal audit independently reports to the ARC and provides regular audit updates to the ELC.

A comprehensive business assurance review informs the audit approach by assessing risk levels and existing layers of assurance present in each area of the business, including internal controls, governance frameworks, and external audits. This review culminates in a multi-year schedule that balances audit frequency with risk exposure across business areas.

Each year, a risk-based audit plan is developed, with the scope informed by the business assurance review and multi-year audit schedule, the top risk register, and input from the ARC and ELC. Audits are conducted throughout the year, with support from specialist external auditors where appropriate.



## Whistleblowing

The Group operates a robust Whistleblowing Policy, enabling employees to report concerns confidentially and without fear of retaliation. Reports may be raised internally through management or HR, or externally via an independent whistleblowing hotline, which allows for anonymous submissions.

All disclosures are handled sensitively and investigated under the oversight of the Chief HR Officer and the Director of Governance, Risk, and Compliance, ensuring impartiality and transparency. Findings and remedial actions are reviewed by the ARC, reinforcing the Group's commitment to high ethical standards and good governance.

## Stakeholder relations

The Board recognises the importance of effective engagement with shareholders, investors, and broader stakeholders. Four shareholder-appointed Directors sit on the Board, serving as key liaison points between investors and the Company. The Executive Team and shareholder representatives meet regularly to discuss strategic priorities and performance.

Engagement with debt investors is overseen by the Chief Investment Officer, supported by the Investor Centre and dedicated investor inbox. The Group also maintains an active presence across media and social platforms to engage with universities, policymakers, and local communities, ensuring transparent communication of progress and initiatives.

## QCA Code Compliance

The Board confirms that the Group applies all ten principles of the QCA Corporate Governance Code (November 2023). The Company's governance disclosures are proportionate to its size and complexity and reflect the QCA's three broad themes:

- Deliver Growth – Clear strategy and business model driving long-term value.
- Maintain a Dynamic Management Framework – Effective governance structure, risk management, and control systems.
- Build Trust – Transparent reporting and meaningful stakeholder engagement.

The Board continues to review opportunities to strengthen governance practices, including enhanced disclosure on Board evaluation, culture, ESG integration, and diversity metrics.





# Directors' report

for the year ended 31 August 2025



# Directors' report

The Directors present their report for the year ended 31 August 2025.

## Principal activity

The Group's principal activity is the development, funding, construction and operation (including facilities management) of student accommodation under University Property Partnerships ('UPP').

## Corporate information

The principal legislation under which the Company operates is the Companies (Jersey) Law 1991. The Company is tax resident in the United Kingdom and therefore operates under UK tax laws.

## Going concern

The Directors have reviewed the Group's projected profits and cash flows, which have been prepared on the basis of a detailed analysis of the Group's finances, contracts and likely future demand trends. After consideration of these projections the Directors consider that the Group will be able to settle its liabilities as they fall due for at least 12 months from the date of approval of these financial statements and accordingly the financial statements have been prepared on a going concern basis. For more information refer to note 2.2.

## Financial risk management objectives and policies

The Group's financial risk management objectives and policies are detailed in the Strategic Report on pages 4 to 14.

## Dividend

During the year, the Directors proposed a £35 million dividend, of which £4.3 million was paid before the balance sheet date. The remaining £9.6 million and £21.1 million were paid in September 2025 and October 2025, respectively. (2024 dividend: £16.3 million, paid in September 2024.).

## Directors and their interests

The Directors holding office during the year ended 31 August 2025 are:

Mark Bamford	
Stuart Bousfield	
Kai Chen	
Elaine Hewitt	
Chilei Kao	resigned on 24 April 2025
Suyu Wu	appointed on 24 April 2025
David Montague	
Brian Welsh	

Changes in the Board composition of UPP REIT Holdings Limited and UPP Group Holdings from 31 August 2025 are as follows

- Suyu Wu resigned on 13 November 2025
- Siyuan Ma appointed on 13 November 2025

At 31 August 2025 none of the Directors had any beneficial interests in the shares of the company or in any of the subsidiary companies.

## Statement of Directors' responsibilities

The Directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards.

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 Group and of the profit or loss of the Group 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

- use the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with Companies (Jersey) Law, 1991. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

## Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge the Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make him/herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

## Qualifying third party indemnity

The Directors are protected by Directors and Officers Liability Insurance provided by the Company.

## Independent auditor

KPMG LLP was reappointed as auditor of the Company during the year in accordance with section 113 of the Companies (Jersey) Law 1991.

Signed in accordance with a resolution of the Directors.

By order of the Board

M Bamford  
Director  
5 February 2026



# **Independent auditor's report to the members of UPP REIT Holdings Limited**



# Independent auditor's report to the members of UPP REIT Holdings Limited

## Opinion

We have audited the group financial statements of UPP REIT Holdings Limited ("the Company") and its subsidiaries (together "the Group") for the year ended 31 August 2025, which comprise the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and the related notes, including the accounting policies in note 2.

In our opinion the Group financial statements:

- give a true and fair view, in accordance with UK-adopted international accounting standards, of the state of the Group's affairs as at 31 August 2025 and of the Group's profit for the year then ended; and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or to cease its operations, and as they have concluded that the Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we have considered the inherent risks to the Group's business model and analysed how those risks might affect the Group's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group will continue in operation.



## Fraud and breaches of laws and regulations – ability to detect

### Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Directors and inspection of policy documentation as to the Group’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group’s channel for “whistleblowing,” as well as whether they have knowledge of any actual, suspected, or alleged fraud;
- Reading Board Minutes;
- Considering remuneration incentive schemes and performance targets for Management;
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements, such as valuation of service concession arrangements and valuation of derivative financial instruments.

On this audit, we do not believe there is a fraud risk related to revenue recognition because the Group’s income primarily arises from:

- Contracts with universities with fixed periodic payments. Although this revenue is recognised over time, this is non-judgemental, straight forward and there is limited opportunity for manipulation; and
- There is also third-party income with service providers that are straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. This included journal entries posted at the end of the reporting period, and all material post-closing journals; and
- Assessing significant accounting estimates for bias.



## Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors and other Management (as required by auditing standards) and from inspection of the Group's regulatory and legal correspondence and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements, including financial reporting legislation (including related companies' legislation), distributable profits and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: property laws and building legislation, health and safety, employment laws, anti-bribery, other worker laws, recognising the nature of the Group's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other Management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.



## Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws or regulation.

## Other information

The Directors are responsible for the other information which comprises Year highlights, Who we are, Directors and Advisors, Strategic report, Statement from the Chairman and the Directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

## Matters on which we are required to report by exception

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- proper accounting records have not been kept by the company; or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the company's accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

## Directors' responsibilities

As explained more fully in their statement set out on page 34, the directors are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group'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 they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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.

### Matthew Humphrey (Senior Statutory Auditor) for and on behalf of KPMG LLP

*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL  
5 February 2026



# Consolidated statement of profit or loss

for the year ended 31 August 2025



# Consolidated statement of profit or loss

for the year ended 31 August 2025

	Note	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000
Rental and other income	7	266,924	235,930
Cost of sales		(99,911)	(89,291)
<b>Gross profit</b>		<b>167,013</b>	<b>146,639</b>
Operating expenses	8	(75,698)	(67,630)
Other operating expenses	25	5,740	(52)
<b>Operating profit</b>		<b>97,055</b>	<b>78,957</b>
<b>Finance income</b>	12	<b>22,170</b>	<b>23,842</b>
Senior financing interest		(96,357)	(104,612)
Other interest payable and similar charges		(15,802)	(12,706)
<b>Finance cost total</b>	13	<b>(112,159)</b>	<b>(117,318)</b>
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>7,066</b>	<b>(14,519)</b>
Tax on profit/(loss) on ordinary activities	14	-	-
<b>Profit/(loss) for the financial year</b>		<b>7,066</b>	<b>(14,519)</b>
<b>Profit/(loss) for the financial year attributable to:</b>			
Non-controlling interests		(9,459)	(8,134)
Owners of the parent		16,525	(6,385)
<b>Profit/(loss) for the financial year</b>		<b>7,066</b>	<b>(14,519)</b>

The above results all relate to continuing operations.

The notes on pages 52 to 100 form part of these consolidated financial statements.

# Consolidated statement of other comprehensive income

for the year ended 31 August 2025



# Consolidated statement of other comprehensive income

for the year ended 31 August 2025

	Note	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000
<b>Profit/(loss) for the financial year</b>		<b>7,066</b>	<b>(14,519)</b>
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gain relating to pension scheme	28	585	27
		<b>585</b>	<b>27</b>
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Fair value movements on swaps	23	15,900	1,399
		<b>15,900</b>	<b>1,399</b>
<b>Total other comprehensive income for the year</b>		<b>16,485</b>	<b>1,426</b>
<b>Total comprehensive profit/(loss) for the year</b>		<b>23,551</b>	<b>(13,093)</b>
<b>Other comprehensive income for the year attributable to:</b>			
Non-controlling interests		256	(94)
Owners of the parent		16,229	1,520
<b>Total:</b>		<b>16,485</b>	<b>1,426</b>
<b>Total comprehensive profit/(loss) for the year attributable to:</b>			
Non-controlling interests		(9,203)	(8,228)
Owners of the parent		32,754	(4,865)
<b>Total</b>		<b>23,551</b>	<b>(13,093)</b>
<b>Profit/(loss) per share (in GBP)</b>			
Basic	29	16.2	(6.3)
Diluted		16.2	(6.3)

The notes on pages 52 to 100 form part of these consolidated financial statements.

# Consolidated statement of financial position

for the year ended 31 August 2025



# Consolidated statement of financial position

for the year ended 31 August 2025

	Note	31 August 2025 £'000	31 August 2024 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	17	4,621	5,455
Intangible assets – service concession arrangements	15	1,484,477	1,499,700
Financial assets – service concession arrangements	21	154,654	147,589
Other intangible assets	16	115,659	115,651
Employee benefit obligations	28	790	205
<b>Total non-current assets</b>		<b>1,760,201</b>	<b>1,768,600</b>
<b>Current assets</b>			
Trade and other receivables	19	51,570	10,576
Financial assets – service concession arrangements	21	11,645	11,210
Cash at bank and in hand	21,33	192,459	179,268
<b>Total current assets</b>		<b>255,674</b>	<b>201,054</b>
<b>Total assets</b>		<b>2,015,875</b>	<b>1,969,654</b>

The notes on pages 52 to 100 form part of these consolidated financial statements. The financial statements were approved and authorised for issue by the Board on 5 February 2026 and were signed on its behalf by:

M Bamford  
Director

	Note	31 August 2025 £'000	31 August 2024 £'000
<b>Equity and liabilities</b>			
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	22	1,855,953	1,801,923
Derivative financial instruments	23	94,989	112,852
<b>Total non-current liabilities</b>		<b>1,950,942</b>	<b>1,914,775</b>
<b>Current liabilities</b>			
Borrowings	22	71,665	68,727
Trade and other payables	20	5,556	5,621
Accrual and deferred income	20	45,213	34,726
Provisions	25	3,926	10,154
<b>Total current liabilities</b>		<b>126,360</b>	<b>119,228</b>
<b>Total liabilities</b>		<b>2,077,302</b>	<b>2,034,003</b>
<b>Equity</b>			
Called-up share capital	26	1,032	1,032
Share premium account	27, 33	473,485	473,485
Capital reserves		23,428	23,428
Cash flow hedge reserve		(78,473)	(94,117)
Retained earnings		(437,490)	(433,971)
<b>Equity attributable to owners of the parent company</b>		<b>(18,018)</b>	<b>(30,143)</b>
<b>Non-controlling interest</b>	32	<b>(43,409)</b>	<b>(34,206)</b>
<b>Total equity</b>		<b>(61,427)</b>	<b>(64,349)</b>

# Consolidated statement of changes in equity

for the year ended 31 August 2025



# Consolidated statement of changes in equity

for the year ended 31 August 2025

	Share capital £'000	Share premium £'000	Capital reserve £'000	Cash flow hedge reserve £'000	Retained earnings £'000	Shareholders' equity £'000	Non-controlling interest £'000	Total equity £'000
<b>At 1 September 2024</b>	<b>1,032</b>	<b>473,485</b>	<b>23,428</b>	<b>(94,117)</b>	<b>(433,971)</b>	<b>(30,143)</b>	<b>(34,206)</b>	<b>(64,349)</b>
Profit/(loss) for the financial period	-	-	-	-	16,525	16,525	(9,459)	7,066
Other comprehensive income	-	-	-	15,644	585	16,229	256	16,485
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,644</b>	<b>17,110</b>	<b>32,754</b>	<b>(9,203)</b>	<b>23,551</b>
<b>Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,629)</b>	<b>(20,629)</b>	<b>-</b>	<b>(20,629)</b>
Dividends paid	-	-	-	-	(20,629)	(20,629)	-	(20,629)
<b>At 31 August 2025</b>	<b>1,032</b>	<b>473,485</b>	<b>23,428</b>	<b>(78,473)</b>	<b>(437,490)</b>	<b>(18,018)</b>	<b>(43,409)</b>	<b>(61,427)</b>
<b>At 1 September 2023</b>	<b>1,032</b>	<b>473,485</b>	<b>23,428</b>	<b>(95,610)</b>	<b>(427,613)</b>	<b>(25,278)</b>	<b>(25,978)</b>	<b>(51,256)</b>
Loss for the financial period	-	-	-	-	(6,385)	(6,385)	(8,134)	(14,519)
Other comprehensive income	-	-	-	1,493	27	1,520	(94)	1,426
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,493</b>	<b>(6,358)</b>	<b>(4,865)</b>	<b>(8,228)</b>	<b>(13,093)</b>
<b>Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Dividends paid	-	-	-	-	-	-	-	-
<b>At 31 August 2024</b>	<b>1,032</b>	<b>473,485</b>	<b>23,428</b>	<b>(94,117)</b>	<b>(433,971)</b>	<b>(30,143)</b>	<b>(34,206)</b>	<b>(64,349)</b>

The notes on pages 52 to 100 form part of these consolidated financial statements.

# Consolidated statement of cash flows

for the year ended 31 August 2025



# Consolidated statement of cash flows

for the year ended 31 August 2025

		Year ended 31 August 2025	Year ended 31 August 2024		Year ended 31 August 2025	Year ended 31 August 2024
	Note	£'000	£'000		Note	£'000
<b>Profit/(loss) for the financial year</b>		7,066	(14,519)	<b>Investing activities</b>		
Adjustments for:				Interest received on cash balances	12	7,705
Net interest expense	12,13	89,989	93,476	Payments for intangible fixed assets		(172)
Amortisation of service concession arrangements	15	39,614	39,614	Payments for concession arrangements		(39,382)
Depreciation	17	918	1,027	Payments to acquire tangible fixed assets		(84)
Amortisation of computer software	16	164	176	Increase in short-term deposits		(21,032)
Decrease in provisions	25,28	(6,813)	(4,834)	Interest received on finance receivables		11,196
		<b>130,938</b>	<b>114,940</b>	<b>Net cash flow (used in)/from investing activities</b>		<b>(41,769)</b>
(Increase)/decrease in trade and other receivables due within one year		(562)	1,929	New debt drawn		56,835
Increase/(decrease) in trade and other payables due within one year		300	(11,149)	Repayment of fixed debt		(22,138)
<b>Net cash flow from operating activities</b>		<b>130,676</b>	<b>105,720</b>	Repayment of index-linked debt		(32,622)
				Non-recourse debt payment		(3,380)
				Interest paid		(53,218)
				Dividends paid		(20,629)
				Lease payments		(564)
				<b>Net cash flow used in financing activities</b>		<b>(75,716)</b>
				<b>Increase in cash and cash equivalents</b>		<b>13,191</b>
				<b>Cash and cash equivalents at 1 September 2024</b>	33	179,268
				<b>Cash and cash equivalents at 31 August 2025</b>	33	<b>192,459</b>

The notes on pages 52 to 100 form part of these consolidated financial statements.

# Notes to the financial statements

for the year ended 31 August 2025



# Notes to the financial statements

## 1. General information

UPP REIT Holdings Limited ('the Company') is a closed-ended UK REIT and the parent of the UPP REIT Holdings Group ('the Group'). The Company was incorporated on 18 April 2017. As a result of the Group restructuring in February 2018, the Company became the Parent Company of UPP Group Holdings Limited, trading as University Property Partnerships ('UPP').

The consolidated financial statements of UPP REIT Holdings Limited and its subsidiaries (the Group) for the year ended 31 August 2025 were authorised for issue in accordance with a resolution of the Directors on 5 February 2026 UPP REIT Holdings Limited is private company limited by shares and incorporated on 18 April 2017 in Jersey, with the company number 123688. The company is listed on The International Stock Exchange and the shares are not traded. The registered office is IFC 5, St. Helier, Jersey, JE1 1ST.

The Group's principal activity is the development, funding, construction and operation (including facilities management) of student accommodation under University Property Partnerships.

## 2. Accounting policies

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the UK (UK-adopted international accounting standards) and in accordance with the Companies (Jersey) Law 1991.

The financial statements have been prepared on the historical cost basis except for derivative instruments that have been measured at fair value. The accounting policies set out below, unless otherwise stated, have been applied consistently to all periods presented in these group financial statements.

The financial statements are presented in Sterling (£), which is the Company's functional and Group's presentational currency, rounded to the nearest thousand. The preparation of consolidated financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 5).

The Group elected not to present the Company's financial statements as it is not a requirement under the Companies (Jersey) Law 1991.



## 2.2 Going concern

Notwithstanding consolidated net liabilities of £61,427k (2024: net liabilities £64,349k) for the year ended 31 August 2025, the financial statements have been prepared on a going concern basis, which the Directors consider to be appropriate for the following reasons:

In preparing these financial statements, the Directors have considered the impact of the current inflationary environment and local demand and supply dynamics impacting occupancy on the ability of the Group to continue as a going concern by preparing a cash flow forecast through to 31 August 2027, modelling a severe but plausible downside scenario that demonstrates that the Group is expected to have sufficient funds to meet its obligations as they fall due over the period of at least 12 months from the date of approval of the financial statements.

The Group observed lower portfolio occupancy secured for 2025/26 academic year compared to prior years in Nottingham and Hull, which has slightly reduced the overall portfolio performance. The lower occupancy in these locations is driven by underlying recruitment performance and a growing supply of purpose-built student accommodation providing increased competition. The Group is working on remedial plans to improve occupancy performance in those locations. A key feature of the Group's contractual arrangements is that University counterparties bear the risk on in-year rental income once students have contracted for the rooms. In addition, there are contractual mechanisms in place that allow for rental uplifts as a result of inflation. The Directors anticipate that the Group's university counterparties will meet their payment obligations as they fall due, even in the severe but plausible downside scenario. For the 2025/26 academic year the Group has secured sufficient lettings to remain compliant with funding covenants, with the exception of one subsidiary, where liquidity reserves are sufficient to satisfy timely senior debt repayments.

The Directors consider the Group's costs to be reasonably controllable and, while there are likely to be increased costs arising from inflationary pressures, these are either likely to be offset by inflationary increases in rental income and cost control measures and are not sufficient to threaten the viability of the business. The Directors believe that the fundamentals of the market for student accommodation remain supportive to the long-term success of the business.

The Group's net liabilities position is driven in part by the Group's Service Concession Agreement assets being carried at amortised cost rather than fair value. In addition, index linked borrowing uplifts have occurred as a result of an increase in RPI, resulting in the Group being in a net liabilities position. The Group's borrowings are contractually long dated and the Group's modelling, described above shows that the Group is expected to have sufficient funding to meet these obligations as they arise, even in a plausible downside scenario. Furthermore, the Group is in a net current asset position with sufficient liquidity to cover its obligations as they fall due, over the period of at least 12 months from the date of approval of these financial statements.

On this basis, the Directors are confident that the Group will have sufficient funds to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## 2.3 Basis of consolidation

The Group financial statements consolidate the financial statements of UPP REIT Holdings Limited and its subsidiary undertaking using the business combination under common control method from the date control passes to the Group. All subsidiaries have a reporting date of 31 August except UPP (Lancaster) Holdings Limited with a reporting date of 30 September. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

## 2.4 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. All contingent consideration is measured at fair value with the changes in fair value in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

## 2.5 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## 2.6 Intangible assets (except service concession arrangements)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. The Group does not have intangible assets with indefinite useful life. Intangible assets with finite lives are amortised on a straight-line basis over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category consistent with the function of the intangible assets.

The economic useful life of software intangible assets is 3–5 years. The economic useful life of intangible assets relating to service concession arrangement is in line with the term of each service concession.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

## 2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost, less accumulated depreciation and any provisions for impairment. Historical cost includes all attributable expenditure, including borrowing costs incurred during construction, calculated as a proportion of total finance costs based on the number of rooms in construction over the total number of rooms.

Depreciation is calculated on a straight-line basis, so as to write off the cost of the 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 3 to 10 years for fixtures and fittings.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

## 2.8 Service concession arrangements

The Group contracts with public benefit bodies to construct (or upgrade) student accommodation and operates and maintains the infrastructure asset for a specified period of time, often for its entire useful life. The Group recognises its agreements with universities as service concession arrangements. The consideration received may result in the recognition of a financial asset or an intangible asset.

The Group recognises a financial asset if it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor in return for constructing or upgrading the public sector asset and then operating and maintaining the asset for the specified period of time. This category includes guarantees by the universities to pay for any shortfall between amounts received from the users of the public service and specified or determinable amount.

An intangible asset is measured at the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered. The intangible asset is amortised over its expected useful life on a straight-line basis.

The Group recognises an intangible asset if it receives only a right to charge for the use of the public sector asset that it constructs or upgrades and then must operate and maintain for a specified period of time. A right to charge users is not an unconditional right to receive cash because the amounts are contingent on the extent to which the public uses the service.

In the financial asset model, the amount due from the grantor meets the definition of a receivable measured initially at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the cumulative interest on that amount is calculated using the effective interest rate (EIR) method.

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

Incremental costs incurred as a result of obtaining a contract are capitalised as part of the cost of respective assets, including construction work in progress and intangible assets if these costs are expected to be recovered. Costs that are incurred regardless of whether the contract is obtained, including costs that are incremental to trying to obtain a contract are expensed as they are incurred unless they meet the criteria to be capitalised as fulfilment costs.

Costs incurred to fulfil a contract with a customer are capitalised as part of the cost of respective assets, including construction work in progress and intangible assets, that meet the following criteria:

- they relate directly to an existing contract or specific anticipated contract;
- they generate or enhance resources of the entity that will be used to satisfy the performance obligations in the future; and
- they are expected to be recovered.



## 2.9 Leases

At inception of the contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of an asset.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings, in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the commencement date. The right-of-use is initially measured at cost, which comprises the amount of the initial measurement of the lease liability adjusted for:

- any lease payments made at or before the commencement date;
- less any lease incentives received;
- any initial direct costs incurred by the lessee; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located.

The right-of-use asset is subsequently depreciated using straight-line method from the commencement date to the earlier of the end of the useful life of the right-to-use asset or the end of the lease term. The estimated useful lives or right-to-use assets are determined on the same basis as those of property and equipment. The right-of-use asset is assessed for impairment as per note 2.13.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in index or rate, if there is a change in the Group's estimate of the amount expected to be payable under residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

The Group presents right-of-use assets in Property, plant and equipment and lease liabilities in Borrowings in the consolidated statement of financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## 2.10 Revenue

### Student accommodation rental income

The Group manages student accommodation under service concession followed by a period in which the Group maintains and services the infrastructure. These concession arrangements set out rights and obligations related to the infrastructure and the service to be provided.

Rental income generated from service concession arrangements comprises direct lets to students and leases to universities and commercial tenants.

Performance obligations that relate to rental revenue is an operating and maintenance activity in respect of concession assets that covers the following activities:

- provide the services to ensure that the accommodation is always available during each academic year;
- provide alternative accommodation whenever a need for it may arise.

Included in the rental contract the use of broadband facilities, shared kitchens and communal areas. The Group does not offer these services as stand-alone products. The Group does not consider these services to be individually material and has, consequently, bundled these obligations as a single contract.

## 2.10 Revenue - continued

As set out above, the right to consideration gives rise to an intangible asset, or financial asset:

### Intangible asset

- Revenue from the concession arrangements earned under the intangible asset model consists of the fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset and payments actually received from the users. Construction revenue is receivable during the construction phase of the contract and rental income from student accommodation is receivable during the operational phase of the contract.
- Construction revenue is recognised by reference to the stage of completion of the contract activity at the year end. In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue multiplied by the actual completion rate based on the total contract costs incurred to date and the estimated costs to complete.
- Rental income receivable during the operational phase of the contract is recognised on a straight-line basis over the rental period.

### Financial asset

- Revenue from the concession arrangements earned under the financial asset model falls under IFRS 9 Financial instruments and consists of the (i) fair value of the amount due from the grantor and (ii) interest income related to the capital investment in the project.
- During the construction phase, fair value of amount due from grantor represents the cost arising on the construction of the asset plus a margin that is negligible.
- Interest income is measured using the effective-interest method and recorded when the asset is set up during construction as well as during the operational phase of the contract.

### Construction services

Performance obligations that relate to construction revenue is a construction activity in respect of its obligations to design, build and finance a new asset that it hands over to the grantor that covers the following activities:

- design, construction, completion, commissioning and testing of the works;
- appointing the construction contractor under the construction contract;
- developing and finalising the design and specification of the works;
- undertaking routine repair and maintenance of the property and assets up to when it is fully constructed.

Revenue in respect of fees chargeable to universities for development is recognised as the contract progresses. The revenue recognised reflects the proportion of the work carried out at the balance sheet date measured based on costs incurred to date as a proportion of total budgeted costs.

The Group considers the various stages of Construction as described above and deems that the services being offered by the entity are a series of distinct goods or services as described in IFRS 15. These services meet the criteria of being a performance obligation satisfied over time and the same method is used to measure the entity's progress towards complete satisfaction of the performance obligation to transfer each distinct service.

Revenue on construction is recognised at cost with no margin as profitability is considered to be negligible with no interim services provided during construction and the risk fully passed down to the building contractor. If it is expected that the development will result in a loss, all of the loss is recognised when foreseen.

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, or financial asset, in exchange for construction services. The operator measures the intangible asset initially at cost, being the amount of the contract asset recognised during the construction phase in accordance with IFRS 15. During the current and prior year no construction income was recorded.



## 2.10 Revenue - continued

### Facility management services

For facilities management services that are not covered under service concession arrangements a separate contract is signed between the Group and the University. The contract sets out the service level agreements on the activities performed by the Group in order to fulfil the contractual requirements.

Performance obligations that relate to the facilities management services revenue is student accommodation management that covers the following activities:

- Management and administration.
- Resident satisfaction.
- Response and reactive maintenance.
- General building (including residence maintenance).
- Cleaning.
- Waste disposal.
- Management of the provision of energy and utilities.
- Provision of security services.
- Utilities monitoring.

The services being offered by the Group are considered to be a series of distinct goods or services. The Group evaluates the promise to provide facilities management services for a specified contract term and the same measure of progress towards complete satisfaction of the performance obligation is used. This is because the Group is providing the same service of 'student accommodation management' each period. As a conclusion the Group identifies one performance obligation identified in the contract. Turnover in respect of facility management services provided to entities outside of the Group is recognised on the basis of the amount receivable in respect of the rental period.

### Management and development

Performance obligations that relate to the management and development of revenue is a construction related activity to carry out ground, physical, geophysical, environmental and archaeological investigations and to inspect and examine the property and its surroundings in order to commence construction work. It also covers initial development of the design and specification of the works.

Revenue in respect of fees chargeable to universities for management and development is recognised as the contract progresses. The revenue recognised reflects the proportion of the work carried out at the balance sheet date measured based on costs incurred to date as a proportion of total budgeted costs.

The Group considers the services offered by the entity as a series of distinct goods or services as described in IFRS 15. These services meet the criteria of being a performance obligation satisfied over time and the same method is used to measure the entity's progress towards complete satisfaction of the performance obligation to transfer each distinct service.

Revenue on management and development is recognised at cost with no margin as profitability is considered to be negligible. If it is expected that the development will result in a loss, all of the loss is recognised when foreseen.



## 2.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Trade receivables are recognised initially when they are originated.

All other financial assets and liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus; for an item not at Fair Value Through Profit and Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at transaction price.

On initial recognition, a financial asset is measured at amortised cost, financial assets at fair value through profit or loss; or fair value through other comprehensive income.

The subsequent measurement of financial assets depends on their classification, as described below:

Financial assets at amortised cost are a financial asset held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss.

The Group has elected to show interest income in net investing activities in the cashflow statement.

The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables. This category generally applies to trade and other receivables and also to service concession financial assets.

Financial assets at fair value through other comprehensive income are the financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. However, the Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in a hedge relationship. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss. The Group has not designated any financial assets upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortised cost. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit or loss. This category generally applies to interest bearing loans and borrowings.

## 2.11 Financial instruments - continued

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The effect of derecognition of financial liabilities is recognised in retained earnings. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### Impairment of financial assets

The Group assesses expected credit losses at each reporting date. A loss allowance is calculated as follows:

- 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date), or
- lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for lifetime expected credit losses is calculated for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition.

For financial assets carried at amortised cost, the Group assesses whether expected credit loss exists individually for financial assets that are individually significant. Expected losses are discounted to the reporting date using the EIR of the asset (or an approximation thereof) that was determined at initial recognition.

When determining the credit risk of a financial asset and when estimating Expected Credit Losses (ECLs), the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases, the previously recognised impairment loss is increased or decreased by adjusting the allowance account.



## 2.12 Derivative financial instruments and hedge accounting

### Initial recognition and subsequent measurement

The Group has entered into inflation-linked swaps (RPI swaps) and interest rate swaps (IR swaps) with external parties to manage its exposure to changes in inflation and the Sterling Overnight Indexed Average (SONIA) rates respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income (OCI) and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk)
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction
- hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they have been highly effective throughout the financial reporting periods for which they were designated.

The Group has not designated any derivatives as fair value hedges or hedges of a net investment in a foreign operation.

### Cash flow hedges

The Group applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings and rental income. The Group designates all its derivative financial instruments, which meet the qualifying conditions for hedge accounting, as cash flow hedges. IR swaps are held to manage the SONIA rate exposures of the senior bank debt by swapping the SONIA-linked interest payments for fixed-rate interest payments. Inflation swaps are held to manage the Group's exposure to changes in RPI. The Group's net rental income from student accommodation is exposed to the RPI changes. The swap contracts manage the exposure to RPI by swapping RPI annual rate changes with a fixed rate.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss as other operating expenses. The ineffective portion relating to RPI swaps is recognised in revenue and the ineffective portion relating to IR swaps is recognised in finance costs.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast revenue occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs.

## 2.13 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit (CGU)'s fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (CGUs).

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in the statement of profit or loss in those expense categories consistent with the function of the impaired asset. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

## 2.14 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 3 months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

## 2.15 Finance costs

Financing costs, comprising interest payable on loans, secured and unsecured notes and the costs incurred in connection with the arrangement of borrowings are recognised in profit or loss using the EIR method. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument unless the capital instrument is subsequently carried at fair value, in which case the initial issue costs are expensed in the profit and loss account.

Financing costs also include losses or gains arising on the change in fair value of hedging instruments that are recognised in profit or loss.

## 2.16 Borrowing costs

Borrowing costs directly attributable to the acquisition and construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets, including intangible service concession arrangement assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The Group has elected to show interest costs in net financing cashflows in the cashflow statement.



## 2.17 Taxation

Income tax on the profit for the year comprises current and deferred tax. Current tax is the tax payable on the taxable income for the year and any adjustment in respect of previous years. Deferred tax is provided in full using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised or the liability is settled. No provision is made for temporary differences:

- arising on the initial recognition of assets or liabilities, other than on a business combination, that affect neither accounting nor taxable profit; and
- relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

## 2.18 Defined contribution pension scheme

Contributions to employees' personal pension arrangements during the period 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.



## 2.19 Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors, including but not limited to age, length of service and remuneration. The liability recognised in the Group statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. The Group engages independent actuaries to calculate the obligation on an annual basis. The present value is determined by discounting the estimated future payments using market yields on high-quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts, together with the return on plan assets, less amounts included in net interest, are disclosed as 'remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- the increase in net pension benefit liability arising from employee service during the period; and
- the cost of plan introductions, benefit changes, curtailments and settlements.

## 2.20 Long-term incentive scheme

The Group operates a long-term incentive scheme for certain employees within the Group. The amount of any awards receivable by the employees will depend on the results of the entity and the overall growth of the business over a period of three years. In certain circumstances a specific event can trigger an earlier payment. Amounts representing the associated employment expense are included in the profit and loss account.

## 2.21 Long-term incentive cash payments

The Group's obligation with respect to long-term employee benefits is calculated as the amount of future benefits that employees have earned in return for their service. This amount is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

## 2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation. Where settlement is only possible or the amount cannot be reliably measured then a contingent liability is disclosed.

Provisions are charged as an expense to the profit and loss in the year that the Group becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.



### **3. Impact of new accounting standards and interpretations – applicable 1 September 2024**

#### **Classification of Liabilities as Current or Non-current – Amendments to IAS 1**

The amendments as issued in 2020 and 2022 aim to clarify the requirements on determining whether a liability is current or non-current and require a new disclosure for non-current liabilities that are subject to future covenants.

The amendment does not have a material impact on the Group's financial statements.

#### **Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7**

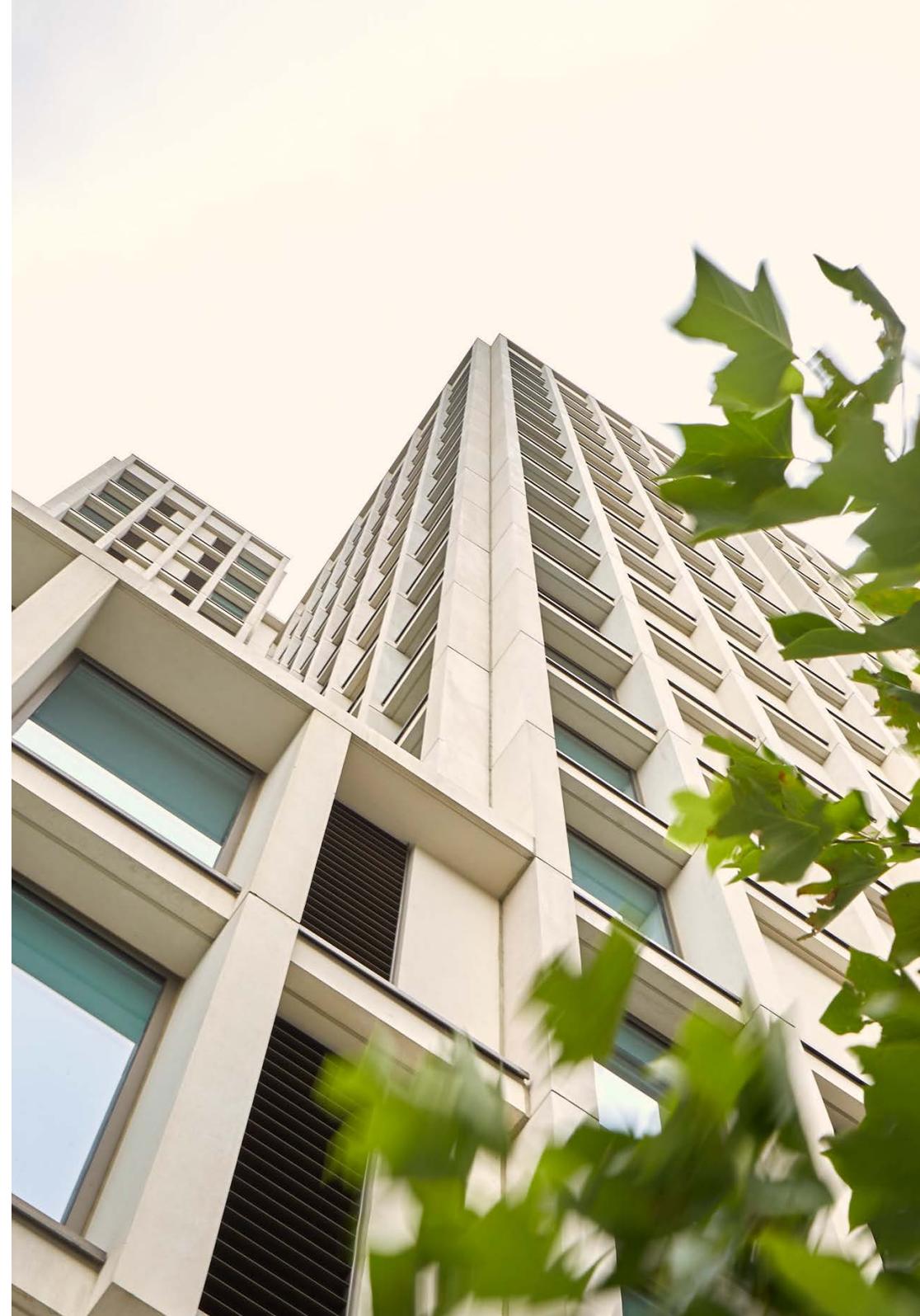
The amendments introduce new disclosures relating to supplier finance agreements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk.

The amendment does not have a material impact on the Group's financial statements.

#### **Lease Liability in Sale and Leaseback (Amendments to IFRS 16)**

Amendments to IFRS 16 Leases impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered since 2019.

The amendment does not have a material impact on the Group's financial statements.



## 4. Impact of accounting standards and interpretations in issue but not yet effective

At the balance sheet date there are a number of new standards and amendments to existing standards in issue that are not yet effective. The Group has not early-adopted the new or amended standards in preparing these consolidated financial statements and does not consider the impact to be material.

### Lack of Exchangeability (Amendments to IAS 21)

In August 2023, IASB amended IAS 21 to clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

The amendments apply for annual reporting periods beginning on or after 1 January 2025.

### Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

The amendments clarify that financial assets and financial liabilities are recognised and derecognised at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognise certain financial liabilities settled via electronic payment systems earlier than the settlement date.

They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features.

The amendments apply for annual reporting periods beginning on or after 1 January 2026.

### Annual improvements to IFRS Accounting Standards (Amendments to IFRS 9 and IFRS 1, IFRS 7, IFRS 10 and IAS 7)

The International Accounting Standards Board (IASB) makes minor amendments to IFRS 9 Financial Instruments and to a further four accounting standards. The amendments to IFRS 9 address:

- a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables; and
- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9

The amendments apply for annual reporting periods beginning on or after 1 January 2026.

### New IFRS Accounting Standards requirements (IFRS 18)

IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes.

Further, operating expenses are presented directly on the face of the income statement – classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature.

IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures and eliminates classification options for interest and dividends in the statement of cash flows.

The amendments apply for annual reporting periods beginning on or after 1 January 2027.

### New IFRS Accounting Standards requirements (IFRS 19)

Subsidiaries of companies using IFRS Accounting Standards can reduce disclosures and focus on users' needs following 'IFRS 19 Subsidiaries without Public Accountability: Disclosures'. A subsidiary without public accountability, whose parent prepares consolidated accounts under IFRS, may apply IFRS 19.

Subsidiaries that currently apply the IFRS for SMEs Accounting Standard or local GAAP in their statutory financial statements will no longer need to prepare two sets of accounting records for group reporting purposes if IFRS 19 is applied.

The amendments apply for annual reporting periods beginning on or after 1 January 2027.

## 5. Judgements and key sources of estimation uncertainty

The preparation of 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.

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

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 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 and debit valuation adjustments to appropriately reflect both its own non-performance risk and the respective counterparty's non-performance risk in the fair value measurements.

In adjusting the fair value of its derivative contracts for the effect of non-performance 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. For further information on the estimation uncertainty at the end of the reporting period refer to note 23.

### Estimates in relation to impairment of non-financial assets

The Group assesses at each reporting date whether an asset may be impaired. For assets that are amortised or depreciated if there is any such indication of impairment, the Group estimates the recoverable amount of the asset. For goodwill or assets under construction, the impairment assessment is performed annually. 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. For further information on the estimation uncertainty at the end of the reporting period refer to note 15 and note 16.

### Estimates in relation to 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. It is updated annually by qualified third party actuarial consultants. 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. For further information on the estimation uncertainty at the end of the reporting period refer to note 28.

*The below are in relation to key judgements made by management in the year.*

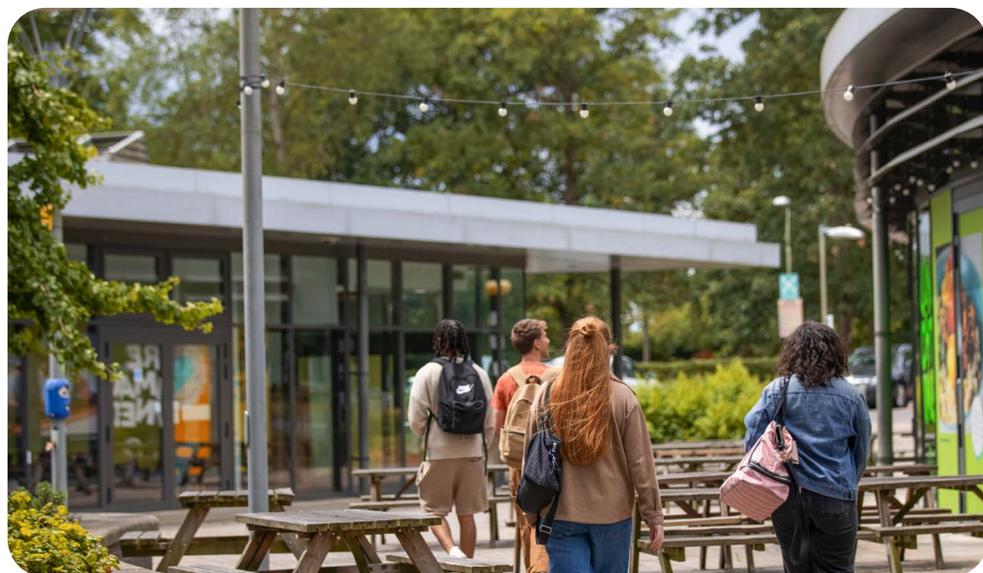
## 5. Judgements and key sources of estimation uncertainty - continued

### 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 and debit 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 31 August 2025, the Group has assessed the significance of the impact of the credit and debit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit and debit valuation adjustments are not significant to the overall valuation of its derivatives. As a result, the Group has determined 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 that 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, 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).



## 6. Segment information

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

- SPVs – performing development, funding, construction and operation of student accommodation under the University Property Partnerships;
- UPP Residential Services Limited (URSL) – providing facilities management services to SPVs;
- UPP Projects Limited (UPL) – securing of 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 about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arms-length basis.

All segments operate and perform all transactions in the United Kingdom.

Adjustments and eliminations include financing, general Group management and REIT level tax charges that are not considered by management as a separate reporting segment.



## 6. Segment information - continued

Year ended 31 August 2025	Note	SPVs £'000	URSL £'000	UPL £'000	Total segments £'000	Adjustments and eliminations £'000	Consolidated £'000
Rental and other income – external		246,105	6,306	14,442	266,853	71	266,924
Rental and other income – internal	A	-	40,801	3,000	43,801	(43,801)	-
Cost of sales	B	(80,325)	(27,603)	(14,186)	(122,114)	22,203	(99,911)
<b>Gross profit/(loss)</b>		<b>165,780</b>	<b>19,504</b>	<b>3,256</b>	<b>188,540</b>	<b>(21,527)</b>	<b>167,013</b>
Operating expenses	B	(46,477)	(9,699)	(4,134)	(60,310)	(15,388)	(75,698)
Other operating expenses		5,740	-	-	5,740	-	5,740
<b>Operating profit/(loss)</b>		<b>125,043</b>	<b>9,805</b>	<b>(878)</b>	<b>133,970</b>	<b>(36,915)</b>	<b>97,055</b>
<b>Finance income</b>		<b>18,059</b>	<b>268</b>	<b>46</b>	<b>18,373</b>	<b>3,797</b>	<b>22,170</b>
Senior financing interest		(96,357)	-	-	(96,357)	-	(96,357)
Other interest payable & similar charges	C	(15,802)	-	-	(15,802)	-	(15,802)
<b>Finance cost total</b>		<b>(112,159)</b>	<b>-</b>	<b>-</b>	<b>(112,159)</b>	<b>-</b>	<b>(112,159)</b>
Other operating expenses		-	-	-	-	-	-
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>30,943</b>	<b>10,073</b>	<b>(832)</b>	<b>40,184</b>	<b>(33,118)</b>	<b>7,066</b>
Tax on profit/(loss) on ordinary activities		-	-	-	-	-	-
<b>Profit/(loss) for the financial year</b>		<b>30,943</b>	<b>10,073</b>	<b>(832)</b>	<b>40,184</b>	<b>(33,118)</b>	<b>7,066</b>
<b>Total assets</b>	D	2,010,577	43,332	16,557	<b>2,070,466</b>	(54,591)	<b>2,015,875</b>
<b>Total liabilities</b>	D	2,484,865	22,505	39,922	<b>2,547,292</b>	(469,990)	<b>2,077,302</b>

## 6. Segment information - continued

Year ended 31 August 2024	Note	SPVs £'000	URSL £'000	UPL £'000	Total segments £'000	Adjustments and eliminations £'000	Consolidated £'000
Rental and other income – external		229,990	5,770	-	235,760	170	235,930
Rental and other income – internal	A	-	37,698	-	37,698	(37,698)	-
Cost of sales	B	(75,827)	(32,075)	(1,495)	(109,397)	20,106	(89,291)
<b>Gross profit/(loss)</b>		<b>154,163</b>	<b>11,393</b>	<b>(1,495)</b>	<b>164,061</b>	<b>(17,422)</b>	<b>146,639</b>
Operating expenses	B	(43,503)	(8,086)	(3,249)	(54,838)	(12,792)	(67,630)
Other operating expenses		(52)	-	-	(52)	-	(52)
<b>Operating profit/(loss)</b>		<b>110,608</b>	<b>3,307</b>	<b>(4,744)</b>	<b>109,171</b>	<b>(30,214)</b>	<b>78,957</b>
<b>Finance income</b>		<b>20,461</b>	<b>52</b>	<b>9</b>	<b>20,522</b>	<b>3,320</b>	<b>23,842</b>
Senior financing interest		(104,612)	-	-	(104,612)	-	(104,612)
Other interest payable & similar charges	C	(12,706)	-	-	(12,706)	-	(12,706)
<b>Finance cost total</b>		<b>(117,318)</b>	<b>-</b>	<b>-</b>	<b>(117,318)</b>	<b>-</b>	<b>(117,318)</b>
Other operating expenses		-	-	-	-	-	-
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>13,751</b>	<b>3,359</b>	<b>(4,735)</b>	<b>12,375</b>	<b>(26,894)</b>	<b>(14,519)</b>
Tax on profit/(loss) on ordinary activities		-	-	-	-	-	-
<b>Profit/(loss) for the financial year</b>		<b>13,751</b>	<b>3,359</b>	<b>(4,735)</b>	<b>12,375</b>	<b>(26,894)</b>	<b>(14,519)</b>
<b>Total assets</b>	D	1,961,740	32,809	6,835	<b>2,001,384</b>	(31,730)	<b>1,969,654</b>
<b>Total liabilities</b>	D	2,406,629	22,055	29,368	<b>2,458,052</b>	(424,049)	<b>2,034,003</b>



## 6. Segment information - continued

### Notes to the segment information:

#### A. Rental and other income

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

#### B. Cost of sales and operating expenses

Adjustments and eliminations represent intercompany transactions that are eliminated on the consolidation level. 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.

## 7. 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 – 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:

	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000
Student accommodation rental income	246,105	229,990
Management and development services	14,442	-
Facilities management services	6,377	5,940
	<b>266,924</b>	<b>235,930</b>

## 7. Turnover - continued

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.

	Note	SPVs £'000	URSL £'000	UPL £'000	Total segments £'000	Adjustments and eliminations £'000	Consolidated £'000
<b>Year ended 31 August 2025</b>							
Student accommodation rental income		246,105	-	-	246,105	-	246,105
Management and development services		-	-	14,442	14,442	-	14,442
Management and development services - intragroup		-	-	3,000	3,000	(3,000)	-
Facilities management services		-	6,306	-	6,306	71	6,377
Facilities management services - intragroup		-	40,801	-	40,801	40,801	-
<b>Total</b>		<b>246,105</b>	<b>47,107</b>	<b>17,442</b>	<b>310,654</b>	<b>(43,730)</b>	<b>266,924</b>
Revenue as reported in Segments	6	246,105	47,107	17,442	310,654	(43,730)	266,924
<b>Year ended 31 August 2024</b>							
Student accommodation rental income		229,990	-	-	229,990	-	229,990
Facilities management services		-	5,770	-	5,770	170	5,940
Facilities management services - intragroup		-	37,698	-	37,698	(37,698)	-
<b>Total</b>		<b>229,990</b>	<b>43,468</b>	<b>-</b>	<b>273,458</b>	<b>(37,528)</b>	<b>235,930</b>
Revenue as reported in Segments	6	229,990	43,468	-	273,458	(37,528)	235,930



## 7. Turnover - continued

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

	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000
Receivables, which are included in 'Trade and other receivables'	1,419	1,416
Contract liabilities which are included in 'Accruals and deferred income'	(2,906)	(2,647)

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 services to universities on a regular basis as per agreement with universities (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 in relation to construction services revenue.

There were no schemes in the construction phase in the current year, hence no construction income was recorded. During financial year ended 31 August 2025 the Group reached financial close for new Exeter 4 project, initiating construction of residential accommodation of 1,849 beds. The Group will start construction in September 2025.



## 8. Operating expenses

The operating profit is stated after charging

### Operating expenses

	Note	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000
Amortisation of service concession arrangements	15	39,614	39,614
Salaries and other employee costs recognised in operating expenses		20,891	16,044
External consultancy		6,973	4,224
Insurance		2,951	2,745
Office costs		159	249
Auditor remuneration (audit and non-audit fees)	10	907	957
Amortisation of computer software	16	164	176
Depreciation	17	918	1,027
Other administrative costs		3,121	2,594
		<b>75,698</b>	<b>67,630</b>

## 9. Directors' remuneration

Total remuneration of directors is as follows:

	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000
Salary and other rewards	2,014	1,385
Social security costs	304	530
Company contributions to defined contribution schemes	-	34
	<b>2,318</b>	<b>1,949</b>

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

	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000
Emoluments	1,546	1,153
Company contributions to defined contribution schemes	-	34
	<b>1,546</b>	<b>1,187</b>

No other employees are considered to meet the definition of key management personnel other than those disclosed above.

## 10. Auditor's remuneration

	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	60	58
Fees payable to the Company's auditor and its associates for other services: The audit of the Company's subsidiaries pursuant to legislation	847	899
	<b>907</b>	<b>957</b>

No non-audit services have been provided.

## 11. Employee information

	Year ended 31 August 2025	Year ended 31 August 2024
The average number of persons employed by the Group during the year was as follows:		
Management and operations	144	158
Site managers (full-time)	75	71
Administration, maintenance and cleaning (full and part-time)	680	714
	<b>899</b>	<b>943</b>

The employment costs of all employees included above were as follows:

	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000
Wages and salaries	36,934	31,921
Social security costs	4,255	3,748
Pension costs - defined contribution	1,903	2,013
Pension costs - defined benefit	104	47
	<b>43,196</b>	<b>37,729</b>

The above salary costs are presented on the 'Cost of sales' and 'Operating expenses' lines.

### Long-term incentivisation scheme

A payment of £716k (2024: £2,159k) was made to scheme members under the long-term incentivisation scheme during the year. The current incentivisation schemes involve up to four members. An accrual of £255k was made for anticipated payments in 2025/26 (2024/25: nil).

## 12. Interest and similar income

	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000
Interest received on cash balances	7,427	7,750
Interest income on finance receivable	12,780	15,893
Fair value gain on swaps	1,963	199
	<b>22,170</b>	<b>23,842</b>

## 13. Interest and similar expense

	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000
<b>Financial liabilities measured at amortised cost</b>		
Bank loan interest	2,032	1,560
Interest payable on fixed senior secured notes	39,683	41,173
Interest payable on index-linked facilities	56,569	63,392
Subordinated loan note interest	9,655	7,954
Interest expense on finance liability	4,116	3,192
<b>Other charges</b>		
Interest on net defined pension liability	104	47
	<b>112,159</b>	<b>117,318</b>

Included within the interest payable on index-linked facilities and senior secured notes is £45,743k (2024: £52,646k) that relates to the inflation uplift on the index-linked facilities.



## 14. Tax on profit/(loss) on ordinary activities

### a) The tax (credit) / charge is made up as follows:

	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000
<b>Current tax:</b>		
Current tax on income for the year	-	-
<b>Total current tax charge</b>	-	-
<b>Deferred tax:</b>		
Current year	-	-
<b>Total deferred tax</b>	-	-
<b>Tax charge on profit/(loss) on ordinary activities</b>	-	-

### b) Tax included in the Group statement of total other comprehensive income

	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000
<b>Deferred tax:</b>		
Current year	-	-
<b>Total deferred tax</b>	-	-
<b>Total tax credit</b>	-	-

### c) Factors affecting current tax charge for the year

The tax assessed for the year is lower (2024: higher) than the standard average rate of corporation tax in the UK of 25% (2024: 25%). The differences are explained below:

	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000
<b>Profit/(loss) on ordinary activities before tax</b>	<b>7,066</b>	<b>(14,519)</b>
Profit/(Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25%	1,767	(3,630)
<b>Effects of:</b>		
REIT tax charge	-	-
Adjustment to tax charge in respect of prior year	-	-
Expenses not deductible for tax purposes	17,686	12,280
Non-taxable income	(13,418)	(7,518)
Movement in deferred tax not recognised	-	-
Brought forward losses utilised in the year	(1,250)	(1,235)
Current year losses carried forward	163	1,086
Exempt property rental (profits)/losses in the year	(4,948)	(983)
<b>Current tax (credit) / charge for the year</b>	<b>-</b>	<b>-</b>

For the financial years ended 31 August 2025 and 31 August 2024 the Group did not breach any of the REIT tests.

### d) Factors that may affect future tax charges

UPP REIT Holdings Limited is a Real Estate Investment Trust. As a result, the Group does not pay UK corporation tax on profits and gains from qualifying property rental business providing it meets certain conditions. Non-qualifying profits and gains continue to be subject to UK corporation tax as normal.

A deferred tax asset of £104,248k (2024: £106,780k) in respect of available tax losses has not been recognised at 31 August 2025. This is due to there being no persuasive and reliable evidence available at this time of suitable profits to offset these losses and due to the Group's REIT status.

## 15. Intangible assets - Service Concession Arrangements

	Service concession arrangements £'000	Assets in the course of construction £'000	Total £'000
<b>2025</b>			
<b>Cost</b>			
At 1 September 2024	1,790,544	-	1,790,544
Additions	-	24,391	24,391
Transfer	-	-	-
<b>At 31 August 2025</b>	<b>1,790,544</b>	<b>24,391</b>	<b>1,814,935</b>
<b>Amortisation</b>			
At 1 September 2024	290,844	-	290,844
Charge during the year	39,614	-	39,614
<b>At 31 August 2025</b>	<b>330,458</b>		<b>330,458</b>
<b>Net book value</b>			
<b>At 31 August 2025</b>	<b>1,460,086</b>	<b>24,391</b>	<b>1,484,477</b>
At 31 August 2024	1,499,700	-	1,499,700
	Service concession arrangements £'000	Assets in the course of construction £'000	Total £'000
<b>2024</b>			
<b>Cost</b>			
At 1 September 2023	1,790,544	-	1,790,544
Additions	-	-	-
Transfer	-	-	-
<b>At 31 August 2024</b>	<b>1,790,544</b>	<b>-</b>	<b>1,790,544</b>
<b>Amortisation</b>			
At 1 September 2023	251,230	-	251,230
Charge during the year	39,614	-	39,614
<b>At 31 August 2024</b>	<b>290,844</b>		<b>290,844</b>
<b>Net book value</b>			
<b>At 31 August 2023</b>	<b>1,499,700</b>	<b>-</b>	<b>1,499,700</b>
At 31 August 2023	1,539,314	-	1,539,314

Included in intangible assets are properties being managed under service concession arrangements. Additions in assets under construction comprise of all the costs incurred for asset construction during the financial year. There were no other additions during the financial year.

Service concession arrangement assets include net finance costs up to the date of completion of £45,271k (2024: £45,160k). An amount of £111k (2024: £nil) was capitalised during the year. The asset under construction relates to the ongoing development costs of the new Exeter 4 project. Practical completion is expected in September 2027, at which point amortisation will commence over the 50-year concession period.

The weighted average of remaining useful life of the assets is 47 years.

In the current year the assets were tested for impairment. The impairment assessment was performed in relation to the SPVs as at the reporting date using contractual cash flows and discount rates specific to the SPVs. These calculations have been based on a full year forecast at the point of first full operation, extrapolated over the remaining service concession arrangement period using variable growth rates. The growth rate reflects a benchmarked projected RPI index. The growth is based on the financial models for the service concession arrangement prepared by the Group based on the agreements made with universities. The main assumptions for the financial models are RPI projections that affect net revenue projections at variable rates using benchmarked forecasts and occupancy rates current occupancy rate assumed 76%-100%) that affects net revenue projected.



## 16. Intangible assets – other

	Computer software £'000	Goodwill £'000	Total £'000
<b>2025</b>			
<b>Cost</b>			
At 1 September 2024	896	143,479	144,375
Additions	172	-	172
Disposals	(170)	-	(170)
<b>At 31 August 2025</b>	<b>898</b>	<b>143,479</b>	<b>144,377</b>
<b>Amortisation and impairment</b>			
At 1 September 2024	27	28,697	28,724
Amortisation	164	-	164
Disposals	(170)	-	(170)
<b>At 31 August 2025</b>	<b>21</b>	<b>28,697</b>	<b>28,718</b>
<b>Net book value</b>			
<b>At 31 August 2025</b>	<b>877</b>	<b>114,782</b>	<b>115,659</b>
At 31 August 2024	869	114,782	115,651
<b>2024</b>			
<b>Cost</b>			
At 1 September 2023	3,403	143,479	146,882
Additions	244	-	244
Disposals	(2,751)	-	(2,751)
<b>At 31 August 2024</b>	<b>896</b>	<b>143,479</b>	<b>144,375</b>
<b>Amortisation and impairment</b>			
At 1 September 2023	2,602	28,697	31,299
Amortisation	176	-	176
Disposals	(2,751)	-	(2,751)
<b>At 31 August 2024</b>	<b>27</b>	<b>28,697</b>	<b>28,724</b>
<b>Net book value</b>			
<b>At 31 August 2024</b>	<b>869</b>	<b>114,782</b>	<b>115,651</b>
At 31 August 2023	801	114,782	115,583

An amount of £136,259k in goodwill arose on the acquisition of subsidiary undertakings in September 2012 and £7,220k on the acquisition of minority interests in UPP (Alcuin) Limited and UPP (Nottingham) Limited, previously held by the University of York and Nottingham Trent University respectively in March 2013.

The carrying amount of goodwill is allocated to the group of cash generating units (SPVs) which generated goodwill. The goodwill was tested for impairment at that level as at 31 August 2025. The impairment assessment was performed in relation to the groups of cash generating units as at the reporting date using contractual cash flows and discount rates specific to the SPVs included in those groups. The valuation technique is a discounted cashflow undertaken under level 3 of the IFRS valuation hierarchy. These calculations have been based on a full year forecast at the point of first full operation, extrapolated over the remaining service concession arrangement period using a variable growth rate. The growth rate reflects the projected RPI index. The growth is based on the financial models for the service concession arrangement prepared by the Group based on the agreements made with universities. Management assessed that possible changes in RPI or occupancy estimates will not result in impairment in the next 12 months.

The recoverable amount of each cash generating unit which generated goodwill and forming part of the group of cash generating units has been calculated with reference to its fair value less costs of disposal, estimated using the valuation technique based on discounted cash flows. The period on which cashflows are forecasted is until the end of the service concession arrangement of each SPV that generated the cash flows and constitutes part of the group of cash generating units.

The main assumptions for the financial models are:

- RPI projections that affect net revenue projections at variable rates using benchmarked forecasts.
- Occupancy rate that affects net revenue projected.

The assumptions are calculated based on historical knowledge and external information relating to the macroeconomic environment and higher education market.

Financial models are reviewed and updated by management on an annual basis and also reviewed against historical performance.

The computer software relates to purchased, as well as internally generated, computer software costs. The computer software is being amortised evenly over its useful life between three to five years.

## 17. Property, plant and equipment

	Right-of-use properties £'000	Fixtures and fittings £'000	Total £'000
<b>2025</b>			
<b>Cost</b>			
At 1 September 2024	5,440	7,870	13,310
Additions	-	84	84
Disposals	-	(829)	(829)
<b>At 31 August 2025</b>	<b>5,440</b>	<b>7,125</b>	<b>12,565</b>
<b>Depreciation</b>			
At 1 September 2024	2,876	4,979	7,855
Charge during the year	441	477	918
Disposals	-	(829)	(829)
<b>At 31 August 2025</b>	<b>3,317</b>	<b>4,627</b>	<b>7,944</b>
<b>Net book value</b>			
<b>At 31 August 2025</b>	<b>2,123</b>	<b>2,498</b>	<b>4,621</b>
At 31 August 2024	2,564	2,891	5,455
	Right-of-use properties £'000	Fixtures and fittings £'000	Total £'000
<b>2024</b>			
<b>Cost</b>			
At 1 September 2023	5,440	10,824	16,264
Additions	-	166	166
Disposals	-	(3,120)	(3,120)
<b>At 31 August 2024</b>	<b>5,440</b>	<b>7,870</b>	<b>13,310</b>
<b>Depreciation</b>			
At 1 September 2023	2,435	7,513	9,948
Charge during the year	441	586	1,027
Disposals	-	(3,120)	(3,120)
<b>At 31 August 2024</b>	<b>2,876</b>	<b>4,979</b>	<b>7,855</b>
<b>Net book value</b>			
<b>At 31 August 2024</b>	<b>2,564</b>	<b>2,891</b>	<b>5,455</b>
At 31 August 2023	3,005	3,311	6,316



## 18. Leases

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

### Right-of use assets

	Property £'000	Total £'000
<b>2025</b>		
Balance at 1 September	2,564	2,564
Depreciation charge	(441)	(441)
<b>Balance at 31 August</b>	<b>2,123</b>	<b>2,123</b>
<b>2024</b>		
Balance at 1 September	3,005	3,005
Depreciation charge	(441)	(441)
<b>Balance at 31 August</b>	<b>2,564</b>	<b>2,564</b>

### Lease liabilities maturity analysis – contractual undiscounted cash flows

	31 August 2025 £'000	31 August 2023 £'000
Less than one year	46	556
One to two years	556	46
Two to five years	1,669	1,669
More than five years	278	834
<b>Total undiscounted lease liabilities at 31 August</b>	<b>2,549</b>	<b>3,105</b>

The lease for office space runs for a period of 10 years, commenced in November 2021 and expires in December 2031.

### Lease liabilities included in the statement of financial position

	31 August 2025 £'000	31 August 2024 £'000
Current	46	556
Non-current	2,077	2,008
	<b>2,123</b>	<b>2,564</b>

### Amounts recognised in profit or loss

	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000
Interest on lease liabilities	(182)	(314)
Depreciation charge	(441)	(441)

### Amounts recognised in statements of cash flows

	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000
Total cash outflow for leases	(564)	(564)



## 19. Current trade and other receivables

	31 August 2025 £'000	31 August 2024 £'000
Trade debtors	1,419	1,416
VAT recoverable	-	185
Prepayments and accrued income	7,422	8,975
Other receivables	42,729	-
	<b>51,570</b>	<b>10,576</b>

A six-month term deposit amounting to £21,032k (2024: nil) is presented under other receivables. The term deposit has maturity of less than twelve months from the reporting date and is therefore classified as a current financial assets. Other receivables also include £21,610k of receivables held in escrow account relating to planned construction of the new Exeter 4 project.

## 20. Current trade and other payables

	31 August 2025 £'000	31 August 2024 £'000
Trade creditors	4,596	5,021
Other taxes and social security	960	600
Accruals and deferred income	45,213	34,726
	<b>50,769</b>	<b>40,347</b>

## 21. Financial assets

	Note	31 August 2025 £'000	31 August 2024 £'000
<b>Financial assets at amortised cost</b>			
Financial assets - service concession arrangements		166,299	158,799
Trade and other receivables	19	44,148	1,416
Cash and cash equivalents	33	192,459	179,268
		<b>402,906</b>	<b>339,483</b>
Total current		248,252	191,894
Total non-current		154,654	147,589

The financial assets are represented by service concession arrangements maturing between 2044 and 2064. The service concession arrangement asset includes net finance costs of £1,119k (2024: £1,119k).

The carrying amount of the financial assets that have been pledged as collateral for liabilities includes amounts that have been reclassified in accordance with paragraph 3.3.23(a) of IFRS 9. 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.

## 22. Financial liabilities

	31 August 2025 £'000	31 August 2024 £'000
<b>Financial liabilities at amortised cost</b>		
Senior fixed debt	729,664	695,948
Senior index linked debt	1,055,989	1,041,268
Non-recourse bank debt finance	77,304	76,329
Subordinated loan notes	62,038	54,348
Lease liabilities	2,623	2,757
Trade and other payables	4,596	5,021
Accruals	42,305	32,079
<b>Derivatives designated as hedging instruments</b>		
Interest rate swaps	11,772	22,478
RPI swaps	70,598	76,784
<b>Derivatives not designated as hedging instruments</b>		
RPI swaps	12,619	13,590
	<b>2,069,508</b>	<b>2,020,602</b>
Total current	118,566	105,827
Total non-current	1,950,942	1,914,775

## 22. Financial liabilities - continued

### 22.1 Interest-bearing loans and borrowings

#### Senior debt

The senior debt facilities above are secured under a number of debenture deeds. Under the terms of the debentures, the finance providers have security by way of a first legal mortgage over all estates or interests in any freehold or leasehold properties and buildings, finance receivable assets and fixtures on those properties. Loan facilities are subject to debt service cover ratio covenants which are periodically reported to funders.

#### Senior secured notes

On 5 March 2013, a Group subsidiary, UPP Bond 1 Issuer PLC, issued £307,100k of fully-amortising fixed senior secured notes and £75,000k of fully-amortising RPI index-linked senior secured notes, listed on the Irish Stock Exchange. The proceeds of this issuance were on-lent on the same terms and conditions to six fellow Group companies to enable them to repay their previous bank facilities and associated costs.

The fixed senior secured notes are fully-amortising by 2040 and bear interest at 4.9023%, with repayments commencing on 30 August 2013.

The index-linked senior secured notes are fully-amortising by 2047 with a real interest rate of 2.7291%, increasing semi-annually by RPI. The notional amount of these notes at issuance was £75,000k and repayments are scheduled to commence in August 2038.

On 9 December 2014, UPP Bond 1 Issuer PLC issued £149,700k of fully-amortising index-linked senior secured notes, also listed on the Irish Stock Exchange. Proceeds of this issuance were on-lent on the same terms and conditions to a fellow Group undertaking to enable that company to repay its short-term senior bank facility and associated costs.

The senior secured notes issued are secured against the assets of UPP Bond 1 Issuer PLC and the other wholly-owned subsidiaries of UPP Bond 1 Limited.

#### Fixed debt

On 5 June 2007 a Group subsidiary entered into a £181,040k loan, repayable on 31 March 2042 with principal repayments commenced on March 2009. The interest rate is fixed via a swap at a rate of 5.14%. In addition to the term loan described above, the Group has access to a separate secured revolving credit facility of £8,300k, which was undrawn as at year end. This facility is available until 31 March 2041.

On 6 June 2007, Group subsidiary entered into a £59,247k loan, repayable on 31 August 2039 with principal repayments commenced on 28 February 2010. The interest rate is fixed via a swap at a rate of 5.23%.

On 31 December 2011, a Group subsidiary entered into a £186,475k loan, repayable on 31 August 2051 with principal repayments commenced on 30 November 2012. The interest rate is fixed via a swap at a rate of 5.26%.

On 30 August 2013, a Group subsidiary entered into a £33,310k loan, repayable on 31 August 2039 with principal repayments commenced on 29 February 2012. The interest rate is fixed via a swap at a rate of 4.386%.

On 30 August 2013, a Group subsidiary entered into a £19,948k loan, repayable on 31 August 2041 with principal repayments commenced on 30 November 2011. The interest rate is fixed via a swap at a rate of 3.978%.

On 1 September 2011, Group subsidiary entered into a £36,626k loan, repayable on 30 September 2051 with principal repayments commenced on 28 February 2015. The interest rate is fixed via a swap at a rate of 5.03%.

On 29 August 2025, a Group subsidiary entered into a £268,592k development funding agreement repayable 2 November 2028. The interest rate is fixed at a rate of 3.9594% per annum. The full amount of the development funding agreement and interest accrued will become an Income Strip debt at practical completion of the development.

#### Senior index-linked debt

On 14 October 2013, a Group subsidiary entered into an RPI index-linked senior facility. The facility is fully-amortising by August 2056 with a real interest rate of 2.322% increasing semi-annually with RPI. The notional amount of this facility was £40,497k and repayments commenced in February 2016.

On 4 July 2014, a Group subsidiary entered into an RPI index-linked senior facility. The facility is fully-amortising by August 2057 with a real interest rate of 1.792% increasing semi-annually with RPI. The notional amount of this facility was £113,816k and repayments commenced in February 2017.

On 7 April 2016, a Group subsidiary issued £67,300k 1.030% RPI index-linked loan notes. The proceeds of this issuance were used to repay the existing senior bank debt funding. The loan notes are fully-amortising by August 2049 with a real interest rate of 1.0302% increasing semi-annually with RPI. The notional amount of this facility is £67,322k and repayments commenced on 28 August 2016.

## 22. Financial liabilities - continued

### 22.1 Interest-bearing loans and borrowings - continued

On 21 December 2016, a Group subsidiary entered into an RPI index-linked senior facility. The facility is fully-amortising by August 2062 with a real interest rate of 0.16% increasing semi-annually with RPI. The notional amount of this facility was £86,809k and repayments commenced in February 2020.

On 25 May 2017, a Group subsidiary entered into an RPI index-linked senior facility. The facility is fully-amortising by February 2058 with a real interest rate of 0.45% increasing semi-annually with RPI. The notional amount of this facility was £126,800k and repayments commenced in February 2020.

On 5 February 2018, a Group subsidiary issued £63,000k of fully-amortising index-linked loan notes in two tranches. The facility is fully-amortising by August 2062 with a real interest rate of 0.207% - Tranche A and 1.203% - Tranche B, increasing semi-annually with RPI. The notional amount of this facility was £63,000k and repayments commenced in February 2018.

On 28 June 2018, a Group subsidiary issued £15,761k of fully-amortising index linked loan notes. The facility is fully-amortising by August 2065 with a real interest rate of 0.044% increasing semi-annually with RPI. The notional amount of this facility was £37,185k and repayments commenced in February 2021.

On 10 January 2019, a Group subsidiary issued £50,841k of fully amortising RPI index-linked loan notes. The index-linked senior loan notes are fully amortising by 2066 with a real interest rate of 0.2% increasing semi-annually by RPI. The notional amount of these notes at issuance was £50,841k and the principal amount repayable increases semi-annually by RPI. Repayments commenced in December 2021.

On 28 February 2019, a Group subsidiary issued £10,546k of fully amortising RPI index linked loan notes. The index-linked senior loan notes are fully amortising by 2065 with a real interest rate of 0.080% increasing semi-annually by RPI. The notional amount of these notes at issuance was £10,546,000 and the principal amount repayable increases semi-annually by RPI. Repayments commenced in February 2021.

On 28 August 2019, a Group subsidiary issued £9,992k of fully amortising RPI index linked loan notes. The index-linked senior loan notes are fully amortising by 2065 with a real interest rate of 0.100%, increasing semi-annually by RPI. The notional amount of these notes at issuance was £9,992,000 and the principal amount repayable increases semi-annually by RPI. Repayments commenced in February 2021.

On 28 August 2019, a Group subsidiary issued £39,939k of fully amortising RPI index-linked loan notes. The index-linked senior loan notes are fully amortising by 2066 with a real interest rate of 0.21% increasing semi-annually by RPI. The notional amount of these notes at issuance was £39,939k and the principal amount repayable increases semi-annually by RPI. Repayments commenced in December 2021.

On 1 September 2019, a Group subsidiary issued £38,405k of fully amortising RPI index-linked loan notes. The index-linked senior loan note is fully amortised by June 2066 with a real interest rate of 0.05% increasing semi-annually by RPI. The notional amount of these notes at issuance was £38,405,000 and the principal amount repayable increases semi-annually by RPI. Repayments commenced in February 2020.

On 29 February 2020, a Group subsidiary issued £885,745 of fully amortising RPI index-linked loan notes. The index-linked senior loan notes are fully amortising by 2065 with a real interest rate of 0.118% increasing semi-annually by RPI. The notional amount of these notes at issuance was £885,745 and the principal amount repayable increases semi-annually by RPI. Repayments commenced in February 2021.

On 28 April 2020, a Group subsidiary issued £24,521k of fully amortising RPI index-linked loan notes. The index-linked senior loan note is fully amortised by 2066 with a real interest rate of 0.23% increasing semi-annually by RPI. The notional amount of this note at issuance was £24,521,000 and the principal amount repayable increases semi-annually by RPI. Repayments commenced in December 2021.

On 29 December 2020, a Group subsidiary issued £9,777k of fully amortising RPI index-linked loan notes. The index-linked senior loan note is fully amortised by 2066 with a real interest rate of 0.25% increasing semi-annually by RPI. The notional amount of this note at issuance was £9,777,000 and the principal amount repayable increases semi-annually by RPI. Repayments commenced in December 2021.

On 25 July 2024, a Group subsidiary entered into a £110,000k revolving loan facility with termination date on 31 August 2027. The interest rate is based on SONIA Compound Daily Rate increased by 2.95% margin. As at the balance sheet date, £56,017k had been drawn under the facility.

The facilities above are secured under a number of debenture deeds. Under the terms of the debentures, the finance providers have security over all estates or interests in any freehold or leasehold properties and buildings, finance receivable assets and fixtures on those properties. Revolving loan facility has charge over UPP REIT Holdings Ltd shares, and all rights and monies paid in relation to those shares.

## 22. Financial liabilities - continued

### Non-recourse finance facilities

The finance providers only have recourse over the assets of the company or companies on which they are providing finance, with no recourse to other Group companies (see note 15).

The key terms of the facilities are:

	Coupon rate	Final repayment dates
Fixed through an IR swap	4.695%, plus margin until Sept 2017, 5.910% thereafter	September 2044
Income-strip debt	Effective interest rate of 6.95%	March 2061
Income-strip debt	Effective interest rate of 7.15%	August 2078

### Subordinated loan notes

The subordinated loan note funding has been provided by Nottingham Trent University, the University of Reading, the University of Hull and the University of London.

The loan notes are subject to the same security as the senior debt facilities but are subordinated to the right of payment of senior debt providers. The weighted average rate is 11.12% per annum for a weighted average period of 35 years. The final repayment dates on the subordinated loan notes range between August 2048 and August 2069.

## 23. Hedging activities and derivatives

### Derivatives not designated as hedging instruments

The Group uses inflation 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 contracts 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.

Due to the nature, timing and hedging relationship the Group qualified all the IR swaps and RPI swap hedges to the same risk category.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by performing qualitative assessment of hedge effectiveness due to a match of critical terms and quantitative assessment of hedge effectiveness on the basis of the mark to market value and mark to market hypothetical value.

In these hedge relationships, the main sources of ineffectiveness are changes in the cash flow timing of the hedged transactions.



	31 August 2025 £'000		31 August 2024 £'000	
	Assets	Liabilities	Assets	Liabilities
IR swaps designated as hedging instruments	-	(11,772)	-	(22,478)
RPI swaps designated as hedging instruments	-	(70,598)	-	(76,784)
RPI swaps not designated as hedging instruments	-	(12,619)	-	(13,590)
		<b>(94,989)</b>		<b>(112,852)</b>



## 23. 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:

	31 August 2025 £'000	31 August 2024 £'000
<b>Fair value of derivatives used for hedging</b>		
Non-current liabilities: amounts falling due after one year	(82,370)	(99,262)
Non-current assets: amounts falling due after one year	-	-
<b>Movement in fair value of derivatives used for hedging</b>		
Recognised profit through OCI:		
Owners of the parent	15,644	705
Non-controlling interest	256	694
Recognised profit/ (loss) through the Income Statement	992	(1,285)
<b>Fair value of derivatives not used for hedging</b>		
Creditors: amounts falling due after more than one year	(12,619)	(13,590)
Debtors: amounts falling due after more than one year	-	-
<b>Movement in fair value of derivatives not used for hedging</b>		
Recognised profit through the Income Statement	971	1,484

The amounts at the reporting date relating to items designated as hedged items were as follows:

	31 August 2025 £'000	31 August 2024 £'000
<b>Interest rate risk</b>		
Cash flow hedge reserve	10,706	(11,489)
<b>RPI risk</b>		
Cash flow hedge reserve	6,186	11,603

### Liquidity maturity analysis for derivatives

The table below summarises the maturity profile of the Group's derivative financial liabilities based on contractual undiscounted payments:

	Carrying amount	Contractual cash flows			
		Less than 1 year	1-2 years	2-5 years	More than 5 years
31 August 2025	94,989	8,161	9,491	28,851	90,931
31 August 2024	112,852	5,570	8,509	30,746	122,162

Further information on financial risk management related to hedging activities and derivatives is in note 35.

## 24. Fair value measurement

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

	31 August 2025 £'000		31 August 2024 £'000	
	Book value	Significant observable inputs Level 2	Book value	Significant observable inputs Level 2
<b>Financial assets</b>				
<b>Financial assets at amortised cost</b>				
Financial receivable – service concession arrangements	166,299	166,394	158,799	136,908
Trade and other receivables	44,148	*	1,416	*
<b>Cash at bank and in hand</b>	192,459	*	179,268	*
	<b>402,906</b>		<b>339,483</b>	
<b>Financial liabilities</b>				
<b>Borrowings</b>				
Senior fixed debt	729,664	586,141	695,948	714,587
Senior index linked debt	1,055,989	936,502	1,041,268	785,596
Non-recourse bank debt finance	77,304	79,565	76,329	83,012
Subordinated loan notes	62,038	58,292	54,348	50,913
Lease liabilities	2,623	2,623	2,757	2,757
<b>Derivatives designated as hedging instruments</b>				
Interest rate swaps	11,772	11,772	22,478	22,478
RPI swaps	70,598	70,598	76,784	76,784
<b>Derivatives not designated as hedging instruments</b>				
<b>RPI swaps</b>	12,619	12,619	13,590	13,590
<b>Financial liabilities at amortised cost</b>				
Trade and other payable	4,596	*	5,021	*
	<b>2,027,203</b>		<b>1,988,523</b>	

\* The book values for financial instruments such as short-term trade receivables and payables are a reasonable approximation of fair value.

## 24. Fair value measurement - continued

### 24.1 Valuation techniques and significant unobservable inputs

Type	Valuation technique
Derivative instruments	The fair values of the derivative IR swap contracts and inflation swap contracts are estimated by discounting expected future cash flows using market interest rates, market inflation rates and option volatility.
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 Financial receivable - service concession arrangements	The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.

## 25. Provisions for liabilities

	Dilapidations £'000	Asset remediation £'000	Total £'000
At 1 September 2024	120	10,034	10,154
Provisions made during the year	30	2,176	2,206
Provision released during the year	-	(5,740)	(5,740)
Provisions used during the year	-	(2,694)	(2,694)
<b>At 31 August 2025</b>	<b>150</b>	<b>3,776</b>	<b>3,926</b>

	Dilapidations £'000	Asset remediation £'000	Total £'000
At 1 September 2023	90	14,871	14,961
Provisions made during the year	30	2,694	2,724
Provisions used during the year	-	(7,531)	(7,531)
<b>At 31 August 2024</b>	<b>120</b>	<b>10,034</b>	<b>10,154</b>

During prior years, following detailed inspections, the Directors identified various remediation works that needed to be addressed at buildings at the University of Kent. Accordingly, a prudent provision of £7.3 million was initially recognised. During the current financial year further work was undertaken by professional advisors to assess the extent of the remediation works required given the current 'risk based' criteria (which continued to evolve during the year) and this has resulted in the likely remedial scheme changing to a narrower scope of works, which will ultimately be less costly. As a result, a provision of £1,600k was recognised, with the remaining provision being released.

Additionally, during prior years, the Group identified certain maintenance related remediation works required at a number of sites managed by a group entity resulting in a provision of £2,176k being recognised. Provisions have been recognised as the Directors believe the Group has a present obligation. It is probable that transfer of economic benefit will be required and the obligation can be reliably estimated.

## 26. Called-up share capital

	31 August 2025 £'000	31 August 2024 £'000
<b>Allotted, called up and fully paid</b>		
1,032,000 ordinary shares of £1 each	1,032	1,032

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

## 27. Reserves

### Capital reserve

The £1,043k of capital contributions relate to capital contributions by The Alma Mater Fund LP, a previous shareholder. These have been received in cash and are non-refundable. £16,037k relates to capital contributions made by the previous shareholders of the Group to fund the liabilities previously accrued under the long term incentivisation scheme and are 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. £6,348k of the capital contributions relates to subordinated debt acquired by the Group in September 2012 from Barclays European Infrastructure Fund II LP, again a previous shareholder.

### Cash flow hedge reserve

The cash flow hedge reserve records the fair value movements on the Group's derivative financial instruments where hedge accounting is applied, and the deferred tax associated with these.

### Profit and loss account

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

## 28. Retirement benefit schemes

### Defined contribution scheme

The Group operates a defined contribution retirement benefit scheme for all employees, complying with automatic enrolment legislation from October 2013. The total cost charged to the profit and loss account of £36k (2024: £41k) represents a pre-determined amount of the employees' salary paid into the scheme. As at 31 August 2025 £nil (2024: £nil) contributions remained outstanding.

### Defined benefit scheme

Retirement benefits for 11 Group employees (2024: 11) are provided by a defined benefit scheme funded by contributions by the employee and the Group. Payments are made to Nottinghamshire County Council Pension Fund ("NCCPF"). This is an independently administered scheme and contracted out of the State Earnings Related Pension Scheme.

Contributions are set every three years as a result of the actuarial valuation. The triennial valuation date as at 31 March 2025 is currently underway. The results of the 2025 valuation will not be finalised at the time which these financial statements are prepared. The statutory deadline for completion of the 2025 valuation is 31 March 2026. This valuation is setting out contributions for the period from 1 April 2026 to 31 March 2029. There are no minimum funding requirements, but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

The material assumptions used by the Actuary were as follows:

	31 August 2025 £'000	31 August 2024 £'000
Rate of inflation	2.95%	3.25%
Rate of increase in salaries	3.45%	3.85%
Rate of increase in pensions	2.45%	2.85%
Discount rate for liabilities	5.80%	5.00%

Estimate of the Group's past service liability duration is 12 years. This has been calculated based on membership data for the most recent full valuation of the liabilities at 31 March 2022.

An estimate of the future cash flows is made using notional cash flows based on the estimated duration above. These estimated cash flows are then used to derive a Single Equivalent Discount Rate (SEDR). This is consistent with the approach used at the previous accounting date.

Similar to the approach used to derive the discount rate, the Retail Prices Index (RPI) increase assumption is set using a Single Equivalent Inflation Rate (SEIR) approach, using the notional cash flows described above. This is consistent with the approach used at the previous accounting date.

As future pension increases are expected to be based on the Consumer Prices Index (CPI) rather than RPI, a further assumption has been made about CPI, which is that it will be 0.50 pp p.a. below RPI i.e. 2.45% p.a. It is considered that this is a reasonable estimate for the future differences in the indices, based on the different calculation methods, recent independent forecasts and the duration of the liabilities.

Salaries are assumed to increase at 1.0 pp p.a. above CPI. This differs from the salary increase assumption at the previous accounting date and has been updated in line with the most recent funding valuation.

## 28. Retirement benefit schemes - continued

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age of 65 are:

	31 August 2025 £'000	31 August 2024 £'000
<b>Retiring today</b>		
Males	21.0	20.4
Females	24.1	23.3
<b>Retiring in 20 years</b>		
Males	22.7	21.6
Females	25.8	24.7

Amounts recognised in the income statement are as follows:

	31 August 2025 £'000	31 August 2024 £'000
Service cost	36	41
Net interest on the defined liability	(12)	6
Administrative expenses	2	-
	<b>26</b>	<b>47</b>

Amount taken to other comprehensive income is as follows:

	31 August 2025 £'000	31 August 2024 £'000
Return of scheme assets in excess of interest	148	122
Other actuarial gains / (losses) on assets	-	16
Change in financial assumptions	510	8
Change in demographic assumptions	(87)	18
Experience gain / (loss) on defined benefit obligation	-	(137)
<b>Re-measurement of the net assets</b>	<b>571</b>	<b>27</b>

The amount included in the statement of financial position arising from the Group's obligations in respect of its defined benefit scheme is as follows:

	31 August 2025 £'000	31 August 2024 £'000
Present value of the defined benefit obligation	(3,157)	(3,599)
Fair value of scheme assets	3,947	3,804
<b>Net defined benefit asset</b>	<b>790</b>	<b>205</b>

Defined benefit obligation reconciliation is as follows:

	31 August 2025 £'000	31 August 2024 £'000
<b>At 1 September</b>	3,599	3,463
Current service cost	36	41
Interest cost	174	180
Change in financial assumptions	(510)	(8)
Estimated benefits paid net of transfers in	(238)	(207)
Change in demographic assumptions	87	(18)
Experience gain / (loss) on defined benefit obligation	-	137
Contributions by scheme participants	9	11
<b>At 31 August</b>	<b>3,157</b>	<b>3,599</b>

Reconciliation of fair value of the scheme assets is as follows:

	31 August 2025 £'000	31 August 2024 £'000
<b>At 1 September</b>	3,804	3,641
Interest on assets	186	191
Return on assets less interest	148	122
Other actuarial gains / (losses)	-	-
Contributions	49	59
Administration expenses	(2)	(2)
Benefits paid	(238)	(207)
<b>At 31 August</b>	<b>3,947</b>	<b>3,804</b>

The estimated amount of contributions expected to be paid to the scheme during the financial year ending 31 August 2026 is £38k.

The estimated asset allocation of the scheme as at 31 August 2025 is as follows:

	31 August 2025		31 August 2024	
	%	£'000	%	£'000
Equities	54	2,135	60	2,301
Government bonds	8	299	2	91
Other bonds	6	233	5	189
Property	9	347	11	404
Cash	6	255	6	229
Other	17	678	16	590
Total fair value of scheme assets (bid value)	100	3,947	100	3,804
Present value of scheme liabilities		<b>(3,157)</b>		<b>(3,599)</b>
Net surplus		<b>790</b>		<b>205</b>

## 28. Retirement benefit schemes - continued

Sensitivity analysis on the major assumptions is presented below:

	£'000	£'000	£'000
<b>Adjustment to discount rate</b>	+0.1pp	none	-0.1pp
Present value of total obligation	3,121	3,157	3,194
Projected service cost	28	29	29
<b>Adjustment to long term salary increase</b>	+0.1pp	none	-0.1pp
Present value of total obligation	3,159	3,157	3,155
Projected service cost	29	29	29
<b>Adjustment to pension increases and deferred revaluation</b>	+0.1pp	none	-0.1pp
Present value of total obligation	3,193	3,157	3,122
Projected service cost	29	29	28
<b>Adjustment to life expectancy assumptions</b>	+1 year	none	-1 year
Present value of total obligation	3,257	3,157	3,061
Projected service cost	30	29	28

## 29. Profit/(loss) per share

The calculation of loss per share has been based on the following profit attributable to ordinary Shareholders and weighted-average number of ordinary shares outstanding.

	Year ended 31 August 2025	Year ended 31 August 2024
<b>Profit/(loss) attributable to ordinary Shareholders</b>		
Basic	16,525	(6,385)
Diluted	16,525	(6,385)
<b>Weighted average number of shares (thousands)</b>		
Basic	1,019	1,019
Diluted	1,019	1,019
<b>Profit/(loss) per share</b>	<b>16.2</b>	<b>(6.3)</b>
	<b>2025</b>	<b>2024</b>
Issued ordinary shares at 1 September	1,018,667	1,018,667
Issued ordinary shares at 31 August	<b>1,018,667</b>	<b>1,018,667</b>

## 30. Related party transactions

As at 31 August 2025, 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 Companies: 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 year the Group incurred costs of £401k (2024: £407k) in respect of services provided by Nottingham Trent University in respect of UPP (Clifton) Holdings Limited and UPP (Byron House) Holdings Limited. An amount of £nil (2024: £nil) remains outstanding at the balance sheet date. An amount of £nil (2024: £nil) is included within creditors falling due within one year. An amount of £nil (2024: £nil) is included within creditors falling due after one year. During the year the Group received income of £13,420k (2024: £13,959k) in respect of services provided by these companies to the University. An amount of £58k (2024: £nil) remains outstanding at the Balance Sheet date.

During the year the Group incurred costs of £3,889k (2024: £3,682k) in respect of services provided by the University of Reading and received income of £39,429k (2024: £36,755k) in respect of services provided to the University. An amount of £138k (2024: £128k) remains outstanding at the balance sheet date and is included within debtors falling due within one year.

During the year the Group incurred costs of £485k (2024: £462k) in respect of services provided by the University of London and received income of £22,822k (2024: £21,086k) in respect of services provided to the University. An amount of £248k (2024: nil) remains outstanding at the balance sheet date and is included within creditors falling due after one year.

During the year the Group incurred costs of £417k (2024: £388k) in respect of services provided by the University of Hull and received income of £13,903k (2024: £12,932k) in respect of services provided to the University. An amount of £2,819k (2024: £3,032k) remains outstanding at the balance sheet date. This is included within creditors falling due after one year.

During the year ended 31 August 2025 the Group has paid a dividend of £20,629k to the shareholders PGGM and Okra Gee (2024: nil).

Directors' emoluments are disclosed in note 9.

The outstanding subordinate debt balance for these universities as at year end is disclosed in Note 22.

## 31. 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 the trading 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:

Entity	Proportion	Shares held class	Nature of Business
UPP (Alcuin) Limited*	100%	Ordinary	Student Accommodation
UPP (Broadgate Park) Holdings Limited*	100%	Ordinary	Student accommodation
UPP (Byron House) Holdings Limited	80%	Ordinary	Student accommodation
UPP (Cartwright Gardens) Holdings Limited	85%	Ordinary	Student Accommodation
UPP (Clifton) Holdings Limited	80%	Ordinary	Student Accommodation
UPP (Duncan House) Holdings Limited	85%	Ordinary	Student Accommodation
UPP (East Park) Holdings 1 Limited	100%	Ordinary	Student Accommodation
UPP (East Park) Holdings 2 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 (Exeter) Limited*	100%	Ordinary	Student accommodation
UPP (Hull) Holdings Limited	90%	Ordinary	Student accommodation
UPP (Kent Student Accommodation II) Holdings Limited	100%	Ordinary	Student Accommodation
UPP (Kent Student Accommodation) Limited*	100%	Ordinary	Student accommodation
UPP (Kent Turing) Holdings Limited	100%	Ordinary	Student Accommodation
UPP (Lancaster) Holdings Limited	100%	Ordinary	Student Accommodation
UPP (Loughborough Student Accommodation) Holdings Limited	100%	Ordinary	Student Accommodation
UPP (Nottingham) Limited*	100%	Ordinary	Student Accommodation
UPP (Oxford Brookes) Limited*	100%	Ordinary	Student Accommodation
UPP (Plymouth Three) Limited*	100%	Ordinary	Student Accommodation
UPP (Reading 1) Holdings Limited	80%	Ordinary	Student Accommodation
UPP (Swansea 2) Holdings 1 Limited	100%	Ordinary	Student Accommodation
UPP (Swansea 2) Holdings 2 Limited	100%	Ordinary	Student Accommodation
UPP (Swansea) Holdings Limited	100%	Ordinary	Student accommodation
UPP (Exeter 4) Holdings 1 Limited	100%	Ordinary	Student accommodation
UPP (Exeter 4) Holdings 2 Limited	100%	Ordinary	Student accommodation

## 31. Investments - continued

Entity	Proportion	Shares held class	Nature of Business
UPP (West Park) Holdings 1 Limited	100%	Ordinary	Student accommodation
UPP (West Park) Holdings 2 Limited	100%	Ordinary	Student accommodation
UPP Leeds Student Residences Limited	100%	Ordinary	Student accommodation
UPP Bond 1 Issuer plc	100%	Ordinary	Provision of senior secured bond funding
UPP Bond 1 Holdings Limited	100%	Ordinary	Holding company
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 Investments Limited	100%	Ordinary	Holding company
UPP (MidCo) Limited	100%	Ordinary	Holding company
Residence Cloud Limited	100%	Ordinary	Provision of IT services
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 (Aberdeen) Limited	100%	Ordinary	Dormant company

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

UPP Loring Hall Limited has been dissolved during the year ending 31 August 2025.

All subsidiaries listed above are registered at First Floor, 12 Arthur Street, London, EC4R 9AB.

\* These are indirect subsidiaries of UPP Group Limited and direct subsidiaries of Bond 1 Holdings Limited.

## 32. Non-controlling interests (NCI)

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations. There were no changes in the NCI percentages during the year.

	UPP (Byron House) Holdings Limited £'000	UPP (Cartwright Gardens) Holdings Limited £'000	UPP (Clifton) Holdings Limited £'000	UPP (Reading 1) Holdings Limited £'000	UPP (Duncan House) Holdings Limited £'000	UPP (Hull) Holdings Limited £'000	Consolidation adjustments £'000	Total £'000
<b>31 August 2025</b>								
<b>NCI percentage</b>	<b>20%</b>	<b>15%</b>	<b>20%</b>	<b>20%</b>	<b>15%</b>	<b>10%</b>		
Non-current assets	68,100	200,300	36,700	428,230	95,292	133,793		
Current assets	8,018	12,595	4,116	18,409	4,732	10,026		
Non-current liabilities	(99,835)	(188,649)	(50,049)	(376,383)	(116,106)	(174,031)		
Current liabilities	(4,676)	(5,982)	(1,515)	(7,197)	(3,742)	(6,313)		
<b>Net assets</b>	<b>(28,393)</b>	<b>18,264</b>	<b>(10,748)</b>	<b>63,059</b>	<b>(19,824)</b>	<b>(36,525)</b>		
Net assets attributable to NCI	(5,679)	2,740	(2,150)	12,612	(2,974)	(3,653)	42,513	43,409
Revenue	8,582	14,665	4,307	38,949	7,324	13,654		
Profit / (Loss)	(3,399)	(5,388)	(7,675)	(20,968)	(2,296)	(9,664)		
OCI	-	-	1,281	-	-	-		
<b>Total comprehensive income</b>	<b>(3,399)</b>	<b>(5,388)</b>	<b>(6,394)</b>	<b>(20,968)</b>	<b>(2,296)</b>	<b>(9,664)</b>		
Profit allocated to NCI	(680)	(808)	(1,535)	(4,194)	(344)	(966)	(9,32)	(9,459)
Total OCI allocated to NCI	-	-	256	-	-	-	-	256
Cash flows from operating activities	6,129	11,215	2,381	19,536	5,314	10,017		
Cash flows from investment activities	93	221	-	-	83	190		
Cash flows from financing activities (dividends to NCI: nil)	(5,096)	(9,909)	(2,986)	(18,234)	(5,080)	(11,039)		
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,126</b>	<b>1,527</b>	<b>605</b>	<b>1,302</b>	<b>317</b>	<b>(832)</b>		

## 32. Non-controlling interests (NCI) - continued

	UPP (Byron House) Holdings Limited £'000	UPP (Cartwright Gardens) Holdings Limited £'000	UPP (Clifton) Holdings Limited £'000	UPP (Reading 1) Holdings Limited £'000	UPP (Duncan House) Holdings Limited £'000	UPP (Hull) Holdings Limited £'000	Consolidation adjustments £'000	Total £'000
<b>31 August 2024</b>								
<b>NCI percentage</b>	<b>20%</b>	<b>15%</b>	<b>20%</b>	<b>20%</b>	<b>15%</b>	<b>10%</b>		
Non-current assets	72,200	210,500	46,100	428,301	97,458	136,904		
Current assets	6,715	10,799	4,690	17,115	4,426	10,976		
Non-current liabilities	(96,566)	(183,678)	(44,308)	(354,859)	(115,816)	(169,022)		
Current liabilities	(3,965)	(4,791)	(1,429)	(6,624)	(3,596)	(5,720)		
<b>Net assets</b>	<b>(21,616)</b>	<b>32,830</b>	<b>5,053</b>	<b>83,933</b>	<b>(17,528)</b>	<b>(26,862)</b>		
Net assets attributable to NCI	(4,323)	4,925	1,011	16,787	(2,629)	(2,686)	21,121	34,206
Revenue	7,721	13,554	5,941	36,306	6,793	12,714		
Profit / (Loss)	(3,556)	(6,524)	715	(18,359)	(4,234)	(12,782)		
OCI	-	-	(469)	-	-	-		
<b>Total comprehensive income</b>	<b>(3,556)</b>	<b>(6,524)</b>	<b>246</b>	<b>(18,359)</b>	<b>(4,234)</b>	<b>(12,782)</b>		
Profit allocated to NCI	(711)	(979)	143	(3,672)	(635)	(1,278)	(1,002)	(8,134)
Total OCI allocated to NCI	-	-	(94)	-	-	-	-	(94)
Cash flows from operating activities	2,756	9,611	4,037	16,574	4,938	9,249		
Cash flows from investment activities	99	251	-	-	114	233		
Cash flows from financing activities (dividends to NCI: nil)	(1,016)	(8,099)	(3,519)	(15,445)	(5,061)	(6,745)		
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,839</b>	<b>1,763</b>	<b>518</b>	<b>1,129</b>	<b>(9)</b>	<b>2,737</b>		

### 33. Cash and cash equivalents

	31 August 2025 £'000	31 August 2024 £'000
Cash at bank and in hand	192,458	178,894
Short term deposits	1	374
<b>Cash and cash equivalents</b>	<b>192,459</b>	<b>179,268</b>

The cash and cash equivalents disclosed above and in the statement of cash flows include £171,945k as at 31 August 2025 (£159,202k as at 31 August 2024) of restricted cash. This cash is 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.



### 34. Reconciliation of movements of liabilities to cash flows arising from financing activities

	Total £'000	Borrowings £'000	Share capital £'000	Share premium £'000	Retained earnings £'000
<b>1 September 2024</b>					
<b>Financing activities</b>		<b>1,870,650</b>	<b>1,032</b>	<b>473,485</b>	<b>(433,971)</b>
New debt drawn	56,835	56,835	-	-	-
Repayment of fixed debt	(22,138)	(22,138)	-	-	-
Repayment of index-linked debt	(32,622)	(32,622)	-	-	-
Non-recourse debt payment	(3,380)	(3,380)	-	-	-
Interest paid	(53,218)	(53,218)	-	-	-
Dividends paid	(20,629)	-	-	-	(20,629)
Finance lease payments	(564)	(564)	-	-	-
<b>Net cash flow used in financing activities</b>	<b>(75,716)</b>	<b>(55,087)</b>	-	-	<b>(20,629)</b>
Interest expense		112,055	-	-	-
Equity related other changes		-	-	-	17,110
<b>31 August 2025</b>		<b>1,927,618</b>	<b>1,032</b>	<b>473,485</b>	<b>(437,490)</b>
	<b>Total £'000</b>	<b>Borrowings £'000</b>	<b>Share capital £'000</b>	<b>Share premium £'000</b>	<b>Retained earnings £'000</b>
<b>1 September 2023</b>					
<b>Financing activities</b>		<b>1,859,919</b>	<b>1,032</b>	<b>473,485</b>	<b>(427,613)</b>
New debt drawn	6,000	6,000	-	-	-
Repayment of fixed debt	(18,688)	(18,688)	-	-	-
Repayment of index-linked debt	(37,038)	(37,038)	-	-	-
Non-recourse debt payment	(4,895)	(4,895)	-	-	-
Interest paid	(51,355)	(51,355)	-	-	-
Finance lease payments	(564)	(564)	-	-	-
<b>Net cash flow used in financing activities</b>	<b>(106,540)</b>	<b>(106,540)</b>	-	-	
Interest expense		117,271	-	-	-
Equity related other changes		-	-	-	(6,358)
<b>31 August 2024</b>		<b>1,870,650</b>	<b>1,032</b>	<b>473,485</b>	<b>(433,971)</b>

## 35. Financial risk management

The use of financial instruments is managed under policies and procedures approved by the Board. These are designed to reduce the financial risks faced by the Group, which relate to interest, inflation and liquidity risks as well as demand and portfolio risk which arise in the normal course of the Group's business.

### 35.1 Market risk

#### Interest rate risk

The Group finances its operations through a mixture of equity, bank borrowings and secured listed bond notes. The Group exposure to interest rate fluctuations on its bank borrowings is managed by the use of fixed debt and interest rate "IR" swaps which fix variable interest rates for a period of time.

When the associated bank borrowings are fully repaid the Group may be required to terminate the IR swaps earlier than they mature and may become liable to pay penalties. When this occurs the cost of this termination is taken to the profit and loss account on termination.

As at 31 August 2025 and 31 August 2024 the Group has entered into the following IR swaps with external parties:

- an IR swap of £25,623k nominal amount, commencing in August 2009 and finishing in August 2044
- an IR swap of £25,375k nominal amount, commencing in August 2009 and finishing in August 2039
- an IR swap of £161,293k nominal amount, commencing in September 2023 and finishing in March 2042
- an IR swap of £33,637k nominal amount, commencing in August 2011 and finishing in August 2039
- an IR swap of £20,405k nominal amount, commencing in August 2011 and finishing in August 2041
- an IR swap of £25,375k nominal amount, commencing in August 2009 and finishing in August 2039

The Group adopts hedge accounting for all of the IR swaps noted above. The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

#### Inflation rate risk

The Group funds its financing activities through the provision of student accommodation and rental income received on this accommodation. Growth in rental income is linked to the movement in RPI. The Group manages the exposure to this index through a mix of inflation-linked debt and the use of RPI swaps to hedge a portion of the fixed debt servicing costs and to ensure that financial covenants are met.

To mitigate the impact of inflation movements on future rental income, UPP Bond 1 Issuer PLC, a subsidiary undertaking, has entered into RPI swaps with external counterparties all initially entered into on 5 March 2013, details of which are as follows:

Hedge arrangements with external parties as at 31 August 2025 and 31 August 2024 are as follows:

- a 27-year RPI swap with £247k nominal amount, commencing in February 2014 and finishing in February 2040,
- a 27-year RPI swap with £247k nominal amount, commencing in February 2014 and finishing in February 2040,
- a 27-year RPI swap with £247k nominal amount, commencing in February 2014 and finishing in February 2040.

The notional amounts swapped for each year have been determined with reference to a percentage of the fixed-rate bond servicing costs and split equally over the hedge counterparties. On each of these swap arrangements the hedge counterparty pays or receives a fixed amount and the Group pays or receives a floating amount.

These instruments are mirrored with matching derivative instruments on-lent to six subsidiary undertakings as follows:

- a 25-year RPI swap with UPP (Alcuin) Limited, of £1,004k nominal amount, commencing in February 2014 and finishing in February 2040,
- a 27-year RPI swap with UPP (Broadgate Park) Holdings Limited, of £1,752k nominal amount, commencing in February 2014 and finishing in February 2040,
- a 27-year RPI swap with UPP (Kent Student Accommodation) Limited, of £624k nominal amount, commencing in February 2014 and finishing in February 2040,
- a 27-year RPI swap with UPP (Nottingham) Limited, of £1,784k nominal amount, commencing in February 2014 and finishing in February 2040,
- a 26-year RPI swap with UPP (Oxford Brookes) Limited, of £744k nominal amount, commencing in February 2014 and finishing in February 2040,
- a 27-year RPI swap with UPP (Plymouth Three) Limited, of £1,374k nominal amount, commencing in February 2014 and finishing in February 2040.

## 35. Financial risk management - continued

In addition, the Group has entered into five inflation swaps with external parties as follows:

- a 30-year RPI swap of £454k nominal amount, commencing in December 2009 and finishing in June 2039,
- a 30-year RPI swap of £454k nominal amount, commencing in August 2009 and finishing in August 2039,
- a 34-year RPI swap of £2,567k nominal amount, commencing in November 2008 and finishing in March 2042,
- a 27-year RPI swap of £603k nominal amount, commencing in November 2012 and finishing in May 2039,
- a 31-year RPI swap of £873k nominal amount, commencing in October 2010 and finishing in May 2041.

RPI swaps are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Due to limitations on the application of hedge accounting, three of the RPI swaps noted above – at UPP (Kent Student Accommodation) Limited, at UPP (Plymouth Three) Limited and UPP (Kent Student Accommodation II) Limited – do not qualify for hedge accounting as the hedged item does not meet the qualifying criteria of being separately-identifiable and reliably-measurable and as a result any changes in fair values of the derivatives are recognised through the profit and loss and therefore introduce some volatility to the profit and loss. The reasons for entering into RPI swaps remain commercially sound – that is they are intended to reduce volatility in the Group's cash flows.

For swaps that are in hedging relationship the hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The sensitivity analysis below describes possible movements in inflation with all other variables held constant, showing the impact on profit before tax and equity.

		Effect on	Effect on	Effect on
		fair value	profit before	equity
1 September 2024 – 31 August 2025		of financial	taxation	
		instruments	£'000	£'000
		£'000	£'000	£'000
Financial Derivatives (RPI Swaps)	Increase of 25 bp	9,680	1,282	8,398
	Decrease of 25 bp	(9,480)	(1,257)	(8,224)
Financial Derivatives (IR Swaps)	Increase of 25 bp	(4,892)	(526)	(4,366)
	Decrease of 25 bp	5,027	548	4,479
Senior debt	Increase of 25 bp	-	(45,372)	-
	Decrease of 25 bp	-	25,383	-

The Group is monitoring the current inflationary environment very closely, especially the impact on its cost base. The contractual mechanisms relating to rental income increases and the controllable nature of most costs provide means of managing this risk.

### Demand risk

The Group is subject to revenue risk arising from potential occupancy voids where no nomination is in place and counterparty credit risk where a nomination is in place from the university partner. While the Company operates with the benefit of various contractual rights that support high levels of occupancy, the supply of purpose-built student accommodation is increasing providing increased competition focussed on price, quality and location.

### Portfolio risk

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

## 35.2 Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and debt servicing and by investing cash assets safely and profitably. The Group's facility agreements require adequately funded reserve accounts which provide further mitigation against liquidity risk. In addition, the Group has a £15.0 million revolving credit facility providing additional mitigation against liquidity risk.

The following are contractual maturities of debt liabilities at the reporting date. The amounts are gross and undiscounted and include the contractual interest payments.

	<b>31 August 2025</b>	<b>31 August 2024</b>
	<b>£'000</b>	<b>£'000</b>
Repayable within one year or on demand	119,923	115,574
Repayable in more than one year but less than two years	111,124	103,751
Repayable in more than two years but less than five years	380,754	308,639
Repayable in more than five years	1,881,154	1,934,187
	<b>2,492,955</b>	<b>2,462,151</b>

## 35.3 Credit risk

The Group is exposed to credit risk from its operating activities (primarily from trade receivables) and from its financing activities, including deposits with banks and derivatives.

The Group receives the majority of its revenue in the form of rents passing from universities.

Credit risk from balances with banks and derivatives is managed through the Group's treasury policy. The Group sets up deposits and swap instruments only with the banks that have sufficient credit ratings and monitors those ratings on regular basis.

The credit risk relates also to receivables from main counterparties which are universities. The Group manages credit risk by careful selection of the universities with which it chooses to partner and monitors the financial position of these universities on regular basis. As a research led business, the Group applies its own methodology for understanding the long-term performance of potential partner institutions.

The credit risk is assessed and managed by:

- its bespoke contractual arrangements with partner universities;
- managing demand both operationally through its specialist asset management team and its operations company UPP Residential Services Limited;
- performing regular reviews of financial information of partner universities;
- performing regular reviews of higher education statistical data such as application rates, current university rankings that give an indication of future demand and the financial position of a specific university;
- analysing higher education reports and undertaking internal research by assessing demand for UK higher education from the perspective of UK and international students;
- performing macroeconomic research of UK and international higher education markets;
- analysing demographic data that has impact on higher education market;
- monitoring Office for Student reports, which acts as a regulator for universities;
- performing analysis of the occupancy ratios of the accommodation that the Group provides to partner universities;
- performing analysis of aging of the receivables from universities;
- maintaining a close relationship with partner universities through regular dialogue and meetings.

On the basis of the following information:

- stable financial situation of partner universities;
- lack of information on the potential worsening of this situation in the foreseeable future;
- universities are considered to be a public institution and that its financial stability is guaranteed by Office for Students.

Management assess that there is no material credit risk.

## 35. Financial risk management - continued

The calculated expected credit loss was not material and as a result no adjustments were made to the financial statements. The carrying amount of financial assets represents the maximum credit exposure. The Group will write off a financial asset or part of it when there is no reasonable expectation of recovery. The Group will continue to review and attempt recovery of such items which are still subject to enforcement activity.

Gross carrying amount of financial assets by credit risk rating grades:

	<b>Gross carrying amount as at 31 August 2025 £'000</b>	<b>Credit impaired</b>
Low risk	192,459	No
Fair risk	210,447	No
	<b>402,906</b>	
	<b>Gross carrying amount as at 31 August 2024 £'000</b>	<b>Credit impaired</b>
Low risk	179,268	No
Fair risk	160,215	No
	<b>339,483</b>	

Low risk assets are assets receivable from institutions that are rated and their rating is equivalent to Standard & Poor credit rating in the range of BBB to AAA. Fair risk assets relate to receivables from public institutions with stable financial situation and no record of payment delay over 30 days. There is no collateral or other credit enhancements in relation to the financial assets.

## 36. Capital commitment

As of 31 August 2025, the Group had contractual commitments of £266,132k (2024: nil) for construction of student accommodation at Exeter 4 development.

## 37. Subsequent Events

Of the dividend declared during the year in respect of the year ending 31 August 2025, the remaining amounts of £9.6 million and £21.1 million were paid in September 2025 and October 2025, respectively.

Apart from the dividend payments noted above, the Group has evaluated events occurring after the reporting date through the date of approval of these financial statements and has not identified any adjusting or non-adjusting events requiring disclosure or adjustment. Accordingly, no other subsequent events have been reported.

## 38. Parent undertaking and controlling party

UPP REIT Holdings Limited is controlled by a 60% stake held by Stichting Depository PGGM Infrastructure Funds ("PGGM"), a company incorporated in the Netherlands.





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