Company Registration No. 05862721 (England and Wales)

USAF MANAGEMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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USAF MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	M C Allan J J Lister N Richards (Appointed 1 March 2012) C R Szpojnarowicz (Appointed 16 March 2013)
Secretary	C R Szpojnarowicz
Company number	05862721
Registered office	The Core 40 St Thomas Street BRISTOL BS1 6JX
Auditor	KPMG Audit Plc 15 Canada Square LONDON E14 5GL
Business address	The Core 40 St Thomas Street BRISTOL BS1 6JX

USAF MANAGEMENT LIMITED

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USAF MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the year ended 31 December 2012

Principal activities and review of the business

The company's principal activity is the management of investment property The directors do not recommend the payment of a dividend (2011 £nil)

The company registration number is 05862721

Directors

The following directors have held office since 1 January 2012

M C Allan	
J J Lister	
A D Reid	(Resigned 16 April 2013)
M P Bennett	(Resigned 1 March 2012)
N Richards	(Appointed 1 March 2012)
C R Szpojnarowicz	(Appointed 16 March 2013)

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information

USAF MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

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

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

- select suitable accounting policies and then apply them consistently,

- make judgments and estimates that are reasonable and prudent,

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company 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 company's website Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

By order of the board

C R Szpojnarowicz
Secretary
7 May 2013

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF USAF MANAGEMENT LIMITED

We have audited the financial statements of USAF Management Limited for the year ended 31 December 2012 set out on pages 4 to 9 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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

Respective responsibilities of the directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www frc org uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its result for the year then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

William Meredith (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor 7 May 2013
Chartered Accountants

15 Canada Square
LONDON
EC4Y 8BB

USAF MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
Turnover	**2**	54,265,420	54,058,003
Cost of sales		(54,265,420)	(54,058,003)
Result on ordinary activities before taxation	**3**	-	-
Tax on result on ordinary activities	**4**	-	-
Result for the year		-	-

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

There is no difference between the result for the year as stated above and its historical cost equivalent

USAF MANAGEMENT LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2012

	Notes	2012 £	£	2011 £	£
Current assets					
Debtors	5	11,522,796		7,325,041	
Cash at bank and in hand		2,602,206		2,869,471	
		14,125,002		10,194,512	
Creditors amounts falling due within one year	6	(14,125,001)		(10,194,511)	
Net assets			1		1
Capital and reserves					
Called up share capital	7		1		1
Shareholders' funds	8		1		1

The financial statements were approved by the Board on 7 May 2013 and signed on its behalf by

N Richards
Director

USAF MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

1 1 Accounting convention

The financial statements are prepared in accordance with applicable accounting standards (UK GAAP) and under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

1 2 Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the oreseeable future Accordingly, they continue to adopt the going concern basis in preparing the financial statements

1.3 Turnover

Turnover from investment property leased out under an intra group management lease is recognised in the profit and loss account on a straight line basis over the term of the lease Lease incentives granted are recognised as an integral part of the total rental income and are spread over the shorter of the lease term or the date when it is expected rent will revert to the prevailing market rate

1.4 Deferred taxation

The charge for taxation is based on the result for the year and takes account of taxation deferred because of timing differences between the treatment of certain items for taxation and treatment under the company's accounting policies

Deferred tax assets and liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation

In accordance with FRS19, deferred tax is provided in respect of all timing differences that have originated but not reversed at the balance sheet date that may give rise to an obligation to pay more or less tax in the future except as otherwise provided by FRS19

2 Turnover

Turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Profit on ordinary activities before taxation

	2012	2011
	£	£
Profit on ordinary activities is stated after crediting		
Rental income received under operating lease rentals	54,265,420	54,058,003

Auditor's remuneration of £500 (2011 £500) was borne by another group company

Fees paid to the company's auditor, KPMG Audit Plc and its associates for services other than statutory audit of the company are not disclosed in the company's accounts since the consolidated accounts of the company's parent, The UNITE Group plc are required to disclose non audit fees on a consolidated basis

Directors' remuneration was borne by another group company in respect of both years

4 Taxation

	2012	2011
	£	£
Total current tax	-	-
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	-	-
Current tax charge for the year	-	-

5 Debtors

	2012	2011
	£	£
Other debtors	10,871,429	6,752,959
Prepayments and accrued income	651,367	572,082
	11,522,796	7,325,041

6 Creditors. amounts falling due within one year

	2012	2011
	£	£
Amounts owed to group undertakings	11,167,403	6,870,293
Other creditors	2,957,598	3,324,218
	14,125,001	10,194,511

7 Share capital	2012	2011
	£	£
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1

8 Reconciliation of movements in shareholders' funds	2012	2011
	£	£
Result for the financial year	-	-
Opening shareholders' funds	1	1
Closing shareholders' funds	1	1

9 Contingent liabilities

The company had no contingent liabilities at 31 December 2012 (31 December 2011 £nil)

10 Commitments

Under the terms of an intercompany lease agreement, the company is required to pay rental income less related expenditure ('net turnover rent') to the property owning company The net turnover rent paid in the year was £34,200,240 (year ended 31 December 2011 £33,956,159) The company had no other capital commitments at 31 December 2012 (31 December 2011 £nil)

11 Employees

There were no employees during either year

12 Control

The company's immediate parent undertaking is LDC (Holdings) plc

The company's ultimate parent undertaking is The UNITE Group plc The largest and smallest group in which the results of the company are consolidated is that headed by The UNITE Group plc The consolidated accounts of this company are available to the public and can be obtained from The Core, 40 St Thomas Street, BRISTOL, BS1 6JX

13 Related party transactions

As the company is a wholly owned subsidiary of The UNITE Group plc, the company has taken advantage of the exemption in Financial Reporting Standard 8 from the requirements to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent undertaking

Transactions with related parties at 31 December 2012 were as follows

The company pays up net turnover rent to three UK Limited Partnerships (USAF Partnerships) whose principal limited partner is The UNITE UK Student Accommodation Fund (the 'Fund') Subsidiaries of The UNITE Group plc are both a 10% limited partner in each of the partnerships and also unitholders in the Fund

Turnover rent paid to USAF partnerships under the partnership agreement £34,200,240 (year ended 31 December 2011 £33,956,160)
Amounts due from USAF partnerships under the partnership agreement at 31 December 2012 £10,195,999 (2011 £6,089,168)