Registered number: 10023274

ASSURA FINANCING PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

COMPANY INFORMATION

Directors	Orla Ball Jonathan Murphy Jayne Cottam
Secretary	Orla Ball
Registered number	10023274
Registered office	The Brew House Greenalls Avenue Warrington WA4 6HL
Independent auditor	Ernst & Young LLP 2 St Peter's Square Manchester M2 3DF United Kingdom

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Introduction

The directors present their strategic report for year ended 31 March 2022.

Business review

In the year to 31 March 2022, Assura Financing plc recorded profit of £152.7m (2021: £111.0m) which included property revaluation gains of £69.8m (2021: £42.1m). Turnover for the year to 31 March 2022 increased to £128.6m (2021: £104.8m) as a result of portfolio additions contributing more to passing rent roll than the disposals removed, leading to an operating profit of £180.5m (2021: £133.5m) including revaluation gains. Net finance costs in the year to 31 March 2021 were £27.7m (2021: £22.6m).

The Group currently owns 638 (2021: 594) medical centres with a value of £2,725.4m (2021: £2,338.9m) and a passing rent roll of £130.8m (2021: £116.6m). The Group grows its portfolio through acquisitions of completed medical centres, developing its own medical centres, forward funding other developer's medical centres or jointly developing facilities with other developers. Net assets at 31 March 2022 total £424.2m (2021: £326.4m).

All of these activities are undertaken for long-term retention of the properties by the Group. The Group's policy is to only undertake medical centre developments that are substantially pre-let with fixed price build contracts or those subject to a price ceiling and funding agreement in advance and where the Board is confident of achieving regular development gains going forward.

Demand for large modern, purpose-built premises has been driven by the move from secondary (hospitals) care to primary and community care as encouraged by Government policy over recent years. The COVID-19 pandemic and consequent lengthening waiting lists in the NHS has only further highlighted the shortage of appropriate health services in a community setting, in quality, fit-for-purpose premises.

Assura Financing plc (the company) acts as solely a holding company. The financial position of the company is shown in the statement of changes in equity and the balance sheet.

Principal activity

The principal activity of the Company is a holding company of subsidiaries that act as property development and property development companies, investing in medical centres in the UK. The holding company is the primary borrower of the unsecured bonds, revolving credit facility and private placement facilities which are unsecured facilities drawn against the value of properties in subsidiaries.

Future developments

Details of future developments can be found in the Directors' Report on page 6 and form part of this report by cross-reference.

Internal controls and risk management

The Board accepts and acknowledges that it is both accountable and responsible for ensuring that the Company has in place appropriate and effective risk management and internal control systems, including financial, operational and compliance control systems. The Board monitors these systems on an ongoing basis and this year's review found them to be operating effectively.

The Board regularly reviews all of the major existing risks, and newly identified risks, and the mitigation action for each major review.

Principal risks and uncertainties

Price risk
Price risk arises on rental values because of changes in property market prices. Valuations and yields are regularly benchmarked against comparable portfolios.

Credit risk
Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the group. In the event of a default by an occupational tenant, the group will suffer a rental income shortfall and incur additional costs, including legal expenses in maintaining, insuring and re-letting the property. The Groups credit risk is well spread across its 638 properties and most property is let on a long lease basis to NHS backed tenants and hence the risk of default is minimal.

Liquidity risk
Liquidity risk is the risk that the group will encounter in realising assets or otherwise raising funds to meet financial commitments. Investments in property are relatively illiquid, however, the group has tried to mitigate this risk by investing in desirable properties that are let to GPs and NHS Property Services and ensuring that available borrowing facilities include adequate headroom and maturity dates that are spread rather than clustered. In order to progress its property investment and development programme, the group needs access to bank and equity finance, both of which may be difficult to raise notwithstanding the quality, long lease length, NHS backing and diversity of its property portfolio. To counteract this risk a letter of support has been obtained from Assura plc given that the group financing is managed centrally.

The Group manages its liquidity risk by ensuring that It has a spread of sources and maturities. The current £125 million revolving credit facility is due to mature in November 2024.

The Group has entered into commercial property leases on its investment property portfolio. These non-cancellable leases have remaining terms of up to 30 years and have a WAULT of 11.8 years (2021: 11.6 years).

Cash flow risk
Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest repayments on any variable rate debt. The majority of the Groups' long-term facilities are at fixed rates of interest. See note 17 to the accounts for more details.

Interest rate risk
The Group's exposure to market risk for changes in interest rates relates primarily to the Group's cash deposits and, as debt is utilised, long term, debt obligation. The Group's policy is to manage its interest cost using long-term debt and regularly monitoring and managing its refinancing profile and cash requirements. Where possible the Group chooses to take fixed interest rates and as a result the majority of the Group's long-term facilities are at fixed rates of interest.

At 31 March 2022, 100% (2021: 100%) of the debt drawn by the Group is subject to fixed interest rates. A 0.25% movement in interest rates (deemed a reasonable approximation of possible changes in interest rates) would cause no change to profit (2021: no change to profit), based on the amount of variable debt drawn at the period end.

Climate-related risk
The primary climate-related risk for the Group relates to the transitory risk of minimum energy efficiency standards for letting of commercial buildings. This is managed through EPC ratings of buildings, and a target for all buildings in the Group to be EPC B by 2026 (well ahead of the 2030 deadline). Further detail on climate-related risks for the portfolio can be found in the Assura plc Group annual report, including disclosures in accordance with the Task Force for Climate Related Disclosures (TCFD).

The principal risks for the group and company are consistent with those of the Assura plc Group, further detail can be found in the Assura plc Group annual report.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

S172 Statement

The Board is required to understand the views of the Group's key stakeholders and describe in the annual report how their interests and the matters set out in s172 of the Companies Act 2006 have been considered in Board discussions and decision making. The Board considers that throughout the year, it has acted in a way and made decisions that would most likely promote the success of the Group for the benefit of its members as a whole, with particular regard to:

S172 factor	How factor is brought into Board decision making
a) the likely consequences of any decision in the long term	The very nature of what we do makes it necessary for us to consider all decisions for the long term. We adopt a long-term approach to holding our assets – the average length of our leases is 21 years. Our investment decisions consider how crucial an asset is to the local health economy for the long term, our developments are designed to incorporate future proof technology and we seek to improve and enhance existing assets so they remain fit for purpose. We strive to build lasting relationships with our occupiers and work hard to safeguard employee retention. We maintain a conservative funding structure and our dividend policy is based on paying out a proportion of recurring earnings.
b) the interests of the Company's employees	N/A, no employees within the Assura Financing plc group and company, employees are remunerated from another Assura plc group entity
c) the need to foster the Company's business relationships with suppliers, customers and others	The Board factors stakeholders in all our decisions and follows the strategy implemented by the Assura plc Group more details of which can be found in the Assura plc Group financial statements, pages 51 to 65 explain how we have engaged with and responded to matters raised by employees, suppliers, customers, investors and communities. The launch of our first Sustainability Bond gave us opportunities for greater engagement with our investors on social impact plans and priorities. We are committed to maintaining an appropriate level of communication with shareholders.
d) the impact of the Company's operations on the community and the environment	As a member of the Assura plc Group, Assura Financing plc, is committed to the Groups sustainability and social impact strategies. where the Group has committed to meeting six pledges by 2026 to maximise our contribution to society and minimise our impact on the environment. Further details can be obtained from the Assura plc Group financial statements (pages 40 to 41). We aim to work with our suppliers to ensure their values on social impact and sustainability align with ours.
e) the desirability of the Company maintaining a reputation for high standards of business conduct	We have a clear purpose to create outstanding spaces for health services in our communities through our values of innovation, expertise being genuine, collaboration and passion. We believe good governance is key to the way we run our business and we comply with all legal and regulatory standards. We maintain high standards for health and safety, and we treat our suppliers fairly.
f) the need to act fairly as between members of the Company	N/A This is a wholly owned group and company. The ultimate controlling party of Assura Financing plc is Assura plc who effectively manages the relationship between members of the company.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Streamlined Energy and Carbon Reporting

The Group is exempt from reporting their energy and greenhouse gas emissions for the period 1 April 2021 to 31 March 2022, pursuant to the Companies (Directors Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the Government's Streamlined Energy and Carbon Reporting (SECR) policy on the basis that no individual subsidiary is obliged to report in their own right under SECR as they do not meet the criteria to be defined as a 'large' company.

Key performance indicators

The Directors discharge their responsibilities to manage the properties owned by the Company alongside the other property owning, wholly owned subsidiaries of Assura plc. The following are the KPIs of the company, which is managed as part of the overall Group, with the overall Group KPIs also provided:

	Assura plc Group		Assura Financing plc	
	2022	**2021**	**2022**	**2021**
Weighted average unexpired lease term	11.8 years	11.9 years	11.8 years	11.6 years
Rent roll derived from NHS bodies	82%	84%	82%	84%
ESG linked financing	48%	25%	48%	25%

Weighted average unexpired lease term ("WAULT") provides a measure of the average time remaining on the leases currently in place in the portfolio. The passage of time would see this figure reduce each year. However, through portfolio additions and asset enhancement activities, this natural decline has been offset such that the WAULT has increased by 0.2 years (Assura Group plc decreased by 0.1 years).

The proportion of the rent roll that is paid directly by GP's or NHS bodies provides an indication of the security the rental income stream. The figure has remained virtually static at 82% (2021: 84%), reflecting that portfolio additions have a tenant mix that is consistent with the existing portfolio.

The proportion of available financing facilities certified as being linked to social or green objectives. Reflecting the positive social impact that is ingrained within the business model and the plans to minimise the environmental impact of the portfolio. During the year the group has raised £300m from its Sustainability Bond.

Engagement with customers

We engage with our customers through regular communication, whether that's the one-to-one service of our portfolio, investment and development managers or via our occupier ezine, annual occupier survey, online maintenance portal or instant feedback links. We also maintain relationships with sector bodies such as the British Medical Association and the National Association of Primary Care (NAPC) and chair the British Property Federation's Healthcare Committee.

Results and financial position

The results for the year ended 31 March 2022 and the financial position of the group are shown in the statement of comprehensive income and the balance sheet.

This report was approved by the board on 23 September 2022 and signed on its behalf.

DocuSigned by:
Jayne Cottam
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Jayne Cottam
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and the audited financial statements for the year ended 31 March 2022.

Director" responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). 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 the company and of the profit or loss of the group and the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- in respect of the group and parent company financial statements, state whether applicable UK Accounting Standards, including FRS 102, 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 Group will continue in business.

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

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Results and dividends

The Group profit for the year, after taxation, amounted to £152,749,513 *(2021: £110,979,939)*.

The Company profit for the year, after taxation, amounted to £59,469,673 *(2021: £64,340,185)*.

The directors have declared a dividend for the year ended 31 March 2022 of £55.0m which was paid to the parent company, Assura IH Ltd (2021: £64.5m). This was following the receipt of £60.0m of dividends from subsidiaries. No further dividends have been proposed.

Interim dividend payment

The Directors have recently become aware of a technical irregularity with regard to the payment by the Company of the interim dividend to shareholders during the years 2019, 2020, 2021 and 2022. Distributions made by a public company must not exceed the distributable profits as reported in the last set of "relevant accounts" of the company. For the purposes of the Companies Act the "relevant accounts" are either a company's last annual audited accounts or its last interim accounts. In order to rely on interim accounts to pay a dividend a company must file those interim accounts with the Registrar of Companies. When the Company paid the Dividend, although it had sufficient distributable reserves to make the payment at the payment date, interim accounts showing the requisite level of distributable profits had not been filed with the Registrar of Companies and as a result, the Dividend was paid in technical infringement of the Companies Act 2006. The technical non-compliance with the Companies Act 2006 could, in theory, result in a right for the Company to claim repayment of the Dividend from shareholders and/or the Directors who approved the payments. Clearly it is not the intention of the Company that any such claims should be made by the Company against either its shareholders or its Directors. In order to put the shareholders and the Directors into the position in which they were always intended to be, the Company has released and waived any such claims. Resolutions have been put to the sole shareholder to approve such release and waiver and to protect the shareholders and Directors against any future claims.

Director' indemnities

The Company has arranged qualifying third-party indemnity insurance cover in respect of legal action against its Directors, which were made during the period and remain in force at the date of this report.

Directors

The directors who served during the year and thereafter were:

Orla Ball
Jayne Cottam
Jonathan Murphy

Future developments

The directors aim to continue to expand and develop the company's portfolio of letting properties to the National Health Service.

Going concern

After making enquiries, and on the basis set out in note 1, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. The Group's properties are substantially let with rent paid or reimbursed by the NHS and, in addition to the external committed borrowing facilities available, it is also supported by the Assura plc Group. In reaching its conclusion, the Directors have considered the specific impact in respect of Brexit, Covid-19 and the conflict in Ukraine, all of which are considered to have a low potential impact to the business based on the current position. The directors continue to monitor these, and any other emerging risks such as climate change, as appropriate. Although the Group has a net current liability position, the majority of the liabilities are amounts owed to the immediate parent company and the Company has the continued support of the Assura plc Group. Accordingly, the Board considers it appropriate that the financial statements have been prepared on a going concern basis of accounting and there are no material uncertainties regarding the Company's ability to continue to prepare them over the period to 30 September 2023.

Political donations

No contributions were made for political purposes (2021: nil).

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Matters covered in the Strategic Report

The information that fulfils the requirements of the directors' report can be found in the Strategic Report on pages 1 to 4, which are incorporated in this report by reference.

Disclosure of information to auditor

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

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

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Auditor

The auditors, Ernst & Young, will be proposed for appointment for the year ended 31 March 2023 in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 September 2022 and signed on its behalf.

DocuSigned by:
Jayne Cottam
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Jayne Cottam
Director

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASSURA FINANCING PLC

Opinion

In our opinion:

- Assura Financing plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2022 and of the group's profit for the year then ended;

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Assura Financing plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise:

Group	Parent company
Consolidated statement of comprehensive income for the year then ended	Balance sheet as at 31 March 2022
Consolidated balance sheet as at 31 March 2022	Statement of changes in equity for the year then ended
Consolidated statement of changes in equity for the year then ended	Related notes 1 to 22 to the financial statements including a summary of significant accounting policies
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 22 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASSURA FINANCING PLC

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included the following procedures:

- We obtained a copy of the letter of financial support issued to Assura Financing plc by its parent company and considered the parent's ability to provide such support, this included the following procedures over the Assura plc group's forecasts:

    - We obtained management's going concern assessment for the Assura plc group including the cash forecast and covenant calculations for the going concern period through to 30 September 2023 and tested these for arithmetical accuracy;

    - We challenged the appropriateness of the key assumptions in management's forecasts including growth in rental income by comparing this to historical rental growth. We also considered whether there could be any material impact of climate change in the going concern period;

    - We obtained the additional scenarios prepared by management including the extreme downside scenario, which included suspending planned bond/equity raises;

    - We assessed the plausibility of management's downside scenarios by corroborating the key assumptions to third party data for indicators of contradictory evidence, for example, valuation reports, main competitors' performance records, and industry and company-specific impacts of external factors such as of COVID-19, cyber-attacks, climate change, Brexit, and the conflict in Ukraine;

    - We applied further sensitivities where appropriate to stress test the liquidity of the group over the going concern period including performing a reverse stress test to identify and understand what factors would lead to the group breaching the financial covenants during the going concern period. Reverse stress testing showed that performance would need to reduce in excess of forecast worst case scenarios in order to breach financial covenants;

    - We obtained the agreement for all borrowings and reviewed the nature of the facilities, repayment terms, covenants and attached conditions. We assessed their continued availability to the group throughout the going concern period and checked completeness of covenants identified by management;

    - We reperformed the covenant calculations using management's forecasts and evaluated whether the covenants would be met during the going concern period, considering the assessment of our chartered surveyors of the likelihood of future falls in property values which may result in future breaches of loan to value covenants;

    - We considered the quantum and timing of mitigating factors and discretionary expenditure available to management, the most significant of which relates to the reduction of spend on acquisition of properties. We assessed the extent to which these are within their control;

    - We read board minutes from meetings held during the year to identify any other matters that may impact the going concern assessment;

    - We reviewed the disclosures in the financial statements in relation to going concern in order to assess the appropriateness of the disclosures and conformity with reporting standards.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSURA FINANCING PLC

Our key observations

- The Assura plc group has a cash balance of £243.5m, undrawn RCF of £125.0m and total borrowings of £1,257.0m as at 31 March 2022. There is significant available liquidity via the RCF and expected cash generated from contracted rentals will enable the group to continue to meet its liabilities as they fall due through the going concern period.

- The Assura plc group has significant headroom on covenants and the likelihood of breaching the covenants during the going concern period is considered remote due to the group's strong balance sheet position, and the high degree of predictability in rental income due to contractual arrangements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period through to 30 September 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group and parent company's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of 16 components and audit procedures on specific balances for a further 16 components. • The components where we performed full or specific audit procedures accounted for 100% of Profit before tax, 100% of Revenue and 100% of Total assets.
Key audit matters	• Valuation of completed investment property • Revenue recognition on rental income
Materiality	• Overall group materiality of £8.5m which represents 2% of net assets.

An overview of the scope of the parent company and group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group wide controls, changes in the business environment and other factors such as recent Internal audit results when assessing the level of work to be performed at each company

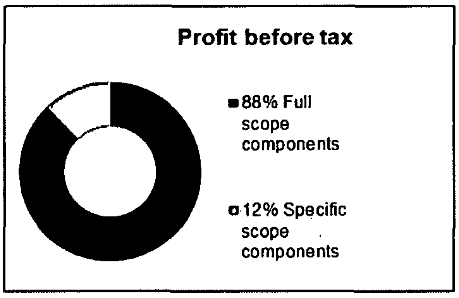
In assessing the risk of material misstatement to the group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 32 reporting components of the group, we selected 32 components covering entities within the United Kingdom, which represent the principal business units within the group.

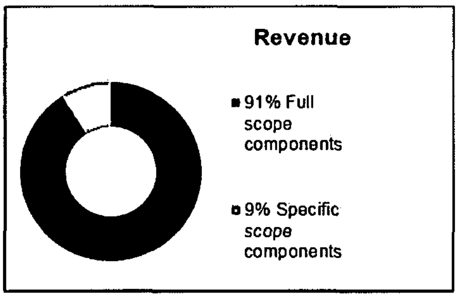
**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASSURA FINANCING PLC**

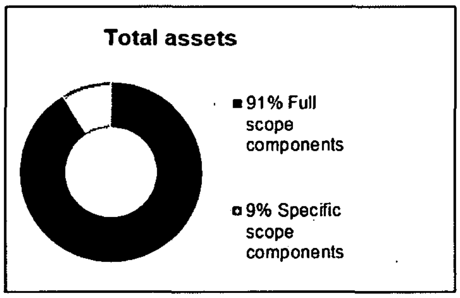
Of the 32 components selected, we performed an audit of the complete financial information of 16 components ("full scope components") which were selected based on their size or risk characteristics. For the remaining 16 components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 100% (2021: 100%) of the group's Profit before tax, 100% (2021: 100%) of the group's Revenue and 100% (2021: 100%) of the group's Total assets. For the current year, the full scope components contributed 88% (2021: 100%) of the group's Profit before tax, 91% (2021: 100%) of the group's Revenue and 91% (2021: 100%) of the group's Total assets. The specific scope component contributed 12% (2021: 0%) of the group's Profit before tax, 9% (2021: 0%) of the group's Revenue and 9% (2021: 0%) of the group's Total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant tested for the group.

The charts below illustrate the coverage obtained from the work performed by our audit teams.







Changes from the prior year
The predecessor auditor performed full scope procedures over all components within the group. We have scoped the group audit based on materiality, resulting in the scoping and coverage presented above.

Involvement with component teams
All audit work performed for the purposes of the audit was undertaken by the group audit team.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASSURA FINANCING PLC

Climate change

There has been increasing interest from stakeholders as to how climate change will impact Assura Financing plc. The group has determined that the most significant future impacts from climate change on its operations will be from meeting regulatory requirements for minimum energy efficiency, the risk to buildings from climate-related events such as flooding and temperature rise affecting water supply temperature, and the risk of failure to appropriately address climate-related expectations of stakeholders which could result in lower investor demand at the Assura plc level. These are explained on page 2 in the principal risks and uncertainties, which form part of the "Other information," rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

As explained in Note 2 of the consolidated financial statements, management have considered the impact of climate change when preparing the group financial statements. The group did not identify any climate risk that would impact the carrying values of the group's assets, or have any other impact on the financial statements.

Our audit effort in considering climate change was focused on evaluating management's assessment of the impact of climate risk, physical and transition, and ensuring that the effects of material climate risks disclosed on page 2 have been appropriately considered in the preparation of the group financial statements, particularly in the valuation of investment properties. We also challenged the Directors' considerations of climate change in their assessment of going concern and viability and associated disclosures.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee

Valuation of investment property (£2,725m, PY comparative £2,339m) *Refer to the Accounting policies (pages 27-28); and Note 11 of the Consolidated Financial Statements (pages 35-36)* The valuation of investment properties requires significant judgement and estimation by Management and their external valuers. Any input inaccuracies or unreasonable bases used in these judgements (such as in respect of estimated rental value or yield profile applied) could result in a material misstatement of the income statement and balance sheet. There is also a risk that Management may influence the significant judgements and estimates in respect of property valuations in order to meet market expectations or bonus targets.	• We obtained the valuation reports for the investment property portfolio directly from the third-party valuers and agreed these to the general ledger. • We walked through the group's controls over data used in the valuation of the property portfolio and management's review of the valuations. • We engaged our internal valuations specialists to support the following audit procedures: ➢ Meeting with the external valuers, CBRE, JLL and Cushman Wakefield ('CW'), to understand the methodology used and the key basis for assumptions applied such as the Net Initial Yield (NIY) and the Weighted Average Unexpired Lease Term (WAULT). We assessed the competence of the valuers and reviewed the engagement agreements with these specialists. ➢ Assisting the audit team in determining criteria (such as yield) to categorise the full investment property portfolio into low risk, high risk and significant risk assets. This was then used by the audit team to calculate an expected range for the year-end valuation of low and high-risk assets based on market data. We also disaggregated the high-risk assets by region and calculated an expected range for the valuation of these assets based on market data specific to each region. ➢ The audit team applied various criteria to identify assets with the potential to be significant risk assets. These were then investigated further by the audit team, with those determined to be significant risk assets provided to the EY valuations specialists who independently determined an expected range for each of these properties. ➢ *Providing expected yields ranges for each property.* This was utilised in our analytics tool to compare an expected value by property to the actual value at the year end and the audit team investigated outliers which did not match our expectation. • We tested a sample of input data provided by the group to CBRE, CW & JLL since this forms the basis of the portfolio valuation. This included agreeing a sample of input data back to underlying lease information such as lease agreements and subsequent rent review documentation. We verified that this information had been provided to the valuers and management had not overridden the property values provided by the third-party valuers. We tested a sample of additions and disposals in the year and also tested a sample of transfers into Investment Property to completion certificate. We also tested a sample of Assets Held for Sale at year-end, checking that they met the criteria to be disclosed as such.	We concluded that the valuation of investment properties is reasonably stated.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASSURA FINANCING PLC

Revenue recognition on rental income (£126.5m, PY comparative £112.0m) *Refer to the Accounting policies (page 27);* Market expectations and revenue profit-based targets may place pressure on Management to distort revenue recognition. This may result in overstatement or deferral of revenues to assist in meeting current or future targets or expectations, through the use of manual topside journals or the incorrect treatment of accrued and/or deferred income.	• We performed data analytics over the whole population of leases in the group's portfolio. This involved: ➢ Using the data held in Assura's property management system to set an expectation of rental income for every lease in every property. ➢ Setting a tolerance threshold to assess whether rental income is in line with expectations. ➢ Analysing and comparing our expectation to actual rental income recognised in the general ledger. ➢ Investigating differences between expectation and actual rental income that exceed our tolerance threshold. ➢ Testing a sample of input data provided by agreeing a sample of input data from the system back to underlying lease information. • We reviewed manual journals posted to revenue, including those relating to back rent, and corroborated a sample of journals to supporting documentation. • We performed substantive analytical review procedures over deferred income. This included taking into consideration the number of tenants year on year and calculating an average deferred income per tenant to be used as the base for our expectation for the current year. • We tested a sample of deferred income balances to supporting documentation such as lease agreements and invoices and performed a recalculation of the deferred income balance. This included a focus on manual correction journals where we corroborated the transaction amount through to supporting documentation and recalculated the net deferred income amount for that property. • We performed analytical review procedures over accrued income. This included disaggregating the balance by property and comparing the balance year on year then investigating any significant/unusual movements. • We agreed a sample of input data from the Property Management system back to underlying lease information such as lease agreements and subsequent rent reviews to address the completeness and accuracy of the data utilised in our substantive analytical procedures. • We performed cut-off testing over trade debtors around the balance sheet date to check transactions were recorded in the correct period.	We concluded that revenue on rental income has been recognised in line with FRS 102.

	• We tested a sample of accrued income balances to supporting documentation (such as lease agreement) and performed a recalculation of the balance.	

The predecessor auditor did not include a key audit matter in relation to revenue recognition on rental income. In the current year, this risk has been identified as a key audit matter following the change in auditor.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality
The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the group to be £8.5 million (2021: £6.4 million), which is 2% (2021: 2%) of net assets. We believe that net assets provides us with the most appropriate materiality basis given the significant borrowings within the group that offset against the group's investment property portfolio.

We determined materiality for the Parent Company to be £1.9 million (2021: £1.6 million), which is 2% (2021: 2%) of net assets.

During the course of our audit, we reassessed initial materiality and there have been no material changes in the final materiality from our original assessment.

Performance materiality
The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the group's overall control environment, our judgement was that performance materiality was 50% (2021: 70%) of our planning materiality, namely £4.2m (2021: £4.5m). We have set performance materiality at this percentage due to this being our first year as auditor of Assura Financing plc.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.9m to £1.9m (2021: £0.01m to £1.6m).

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.4m (2021: £0.3m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSURA FINANCING PLC

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 7, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSURA FINANCING PLC

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting framework (FRS 102, UK Companies Act) and tax legislation.
- We understood how Assura Financing plc is complying with those frameworks by making enquiries of management, those charged with governance, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee and attendance at all meetings of the Audit Committee.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with individuals from various parts of the business to understand where it considered there was a susceptibility to fraud. We considered the programmes and controls that the group has established to address the risks identified, or that otherwise prevent, deter or detect fraud, and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk or other risk of material misstatement. These procedures included those on revenue recognition and investment properties detailed above and the testing of journals and were designed to provide reasonable assurance that the financial statements were free from material fraud and error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations that could give rise to a material misstatement in the financial statements. Our procedures involved journal entry testing, with a focus on consolidation journals and journals indicating large or unusual transactions based on our understanding of the group; enquiries of group management, those charged with governance, legal counsel, and internal audit; and testing as described above. We also involved internal specialists as appropriate in our procedures. In addition, we completed procedures to conclude on the compliance of the disclosures in the financial statements with the requirements of the relevant accounting standards and UK legislation.

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

Use of our report

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.

DocuSigned by:
Ernst & Young LLP
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Jamie Dixon (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester
Date: 23 September 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	*2021* £
Turnover	2.4	**128,550,296**	104,829,952
Cost of sales		**(5,662,710)**	(4,325,857)
Gross profit		**122,887,586**	100,504,095
Administrative expenses		**(12,499,301)**	(10,030,794)
Revaluation gain	11	**69,768,540**	42,099,172
Profit on sale of investment properties		**340,752**	963,425
Operating profit		**180,497,577**	133,535,898
Finance cost - net	6	**(27,748,064)**	(22,555,959)
Profit before taxation		**152,749,513**	110,979,939
Tax on profit	8	**-**	-
Profit for the financial year / Total comprehensive income for the year		**152,749,513**	110,979,939

All income is from continuing operations.

ASSURA FINANCING PLC
REGISTERED NUMBER: 10023274

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note		2022 £		2021 £
Fixed assets					
Investment property	11		**2,725,374,410**		2,338,851,032
Property costs work in progress	12		**8,719,331**		9,108,171
Investments	9.2		**3,117,536**		-
			2,737,211,277		2,347,959,203
Current assets					
Debtors	13	**36,007,686**		32,628,218	
Cash at bank and in hand	14	**235,182,595**		36,289,553	
		271,190,281		68,917,771	
Creditors: amounts falling due in one year	15	**(1,333,523,881)**		(1,135,330,607)	
Net current liabilities			**(1,062,333,600)**		(1,066,412,836)
Total assets less current liabilities			**1,674,877,677**		1,281,546,367
Creditors: amounts falling due after more than one year	16		**(1,250,712,970)**		(955,131,173)
Net assets			**424,164,707**		326,415,194
Capital and reserves					
Called up share capital	19		**87,489,373**		87,489,373
Profit and loss account			**336,675,334**		238,925,821
Total shareholder funds			**424,164,707**		326,415,194

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 September 2022

DocuSigned by:
Jayne Cottam
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Jayne Cottam
Director

The notes on pages 26 to 41 form part of these financial statements.

ASSURA FINANCING PLC
REGISTERED NUMBER: 10023274

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note		2022 £		2021 £
Fixed assets					
Investments	9.1		**468,781,854**		448,611,950
Amounts owed by subsidiary companies	10		**1,910,806,722**		1,617,813,669
			2,379,588,576		2,066,425,619
Current assets					
Debtors	13	**10,346,010**		-	
Cash at bank and in hand	14	**225,214,915**		9,422,860	
		235,560,925		9,422,860	
Creditors: amounts falling due within one year	15	**(1,277,181,985)**		(1,038,073,239)	
Net current liabilities			**(1,041,621,060)**		(1,028,650,379)
Total assets less current liabilities			**1,337,967,516**		1,037,775,240
Creditors: amounts falling due after more than one year	16		**(1,244,445,658)**		(948,723,055)
Net assets			**93,521,858**		89,052,185
Capital and reserves					
Called up share capital	19		**87,489,373**		87,489,373
Profit and loss account			**6,032,485**		1,562,812
Total shareholder funds			**93,521,858**		89,052,185

The profit for the financial period dealt with in the financial statements of the parent Company was £59,469,673 (2021: £64,340,185).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 September 2022

DocuSigned by:
Jayne Cottam
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Jayne Cottam
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2020	87,489,373	192,445,882	279,935,255
Comprehensive income for the year			
Profit for the year	-	110,979,939	110,979,939
Total comprehensive income for the year	-	110,979,939	110,979,939
Dividends paid	-	(64,500,000)	(64,500,000)
At 31 March 2021	87,489,373	238,925,821	326,415,194
At 1 April 2021	87,489,373	238,925,821	326,415,194
Comprehensive income for the year			
Profit for the year	-	152,749,513	152,749,513
Total comprehensive income for the year	-	152,749,513	152,749,513
Dividends paid	-	(55,000,000)	(55,000,000)
At 31 March 2022	87,489,373	336,675,334	424,164,707

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2020	87,489,373	1,722,627	89,212,000
Comprehensive income for the year			
Profit for the year	-	64,340,185	64,340,185
Total comprehensive income for the year	-	64,340,185	64,340,185
Dividends paid	-	(64,500,000)	(64,500,000)
At 31 March 2021	87,489,373	1,562,812	89,052,185
At 1 April 2021	87,489,373	1,562,812	89,052,185
Comprehensive income for the year			
Profit for the year	-	59,469,673	59,469,673
Total comprehensive income for the year	-	59,469,673	59,469,673
Dividends paid	-	(55,000,000)	(55,000,000)
At 31 March 2022	87,489,373	6,032,485	93,521,858

ASSURA FINANCING PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Operating profit		**180,497,577**	133,535,898
Adjustments for:			
Surplus on revaluation of investment property	11	**(69,768,540)**	(42,099,171)
Profit on disposal of properties		**(340,752)**	(963,425)
Operating cash flow before movements in working capital and interest paid		**110,388,285**	90,473,302
Increase in debtors		**(1,098,115)**	(8,417,095)
Increase in creditors		**6,048,093**	8,933,941
Interest paid		**(23,435,899)**	(19,353,403)
Net cash generated from operating activities		**91,902,364**	71,636,745
Cash flows from investing activities			
Proceeds from sale of investment property		**15,120,752**	25,876,920
Purchase of investment properties		**(208,765,272)**	(131,694,962)
Development expenditure		**(38,608,159)**	(36,178,794)
Interest capitalised	11	**(887,576)**	(1,392,800)
Interest received		**352,216**	126,155
Advances of funds to group companies		**(2,280,567)**	(9,697,168)
Investment in joint venture	9.2	**(3,117,536)**	-
Net cash used in investing activities		**(238,186,142)**	(152,960,649)

ASSURA FINANCING PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

Cash flows from financing activities			
Repayment of loans	18	**(20,000,000)**	(80,000,000)
Long term loans drawn	18	**315,857,000**	298,338,530
Loan issue costs	18	**(2,038,630)**	(3,180,461)
Dividend paid	7	**(55,000,000)**	(64,500,000)
Issue of loans / (repayment) from group companies		**106,358,450**	(47,068,689)
Net cash generated from financing activities		**345,176,820**	103,589,380
Net increase in cash and cash equivalents		**198,893,042**	22,265,476
Cash and cash equivalents at beginning of year		**36,289,553**	14,024,077
Cash and cash equivalents at the end of year		**235,182,595**	36,289,553
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand	14	**235,182,595**	36,289,553
		235,182,595	36,289,553

1. Going concern

The directors have received confirmation that Assura plc ("Assura"), the company's holding company, will continue to provide the necessary level of support to enable it to continue to operate for the foreseeable future. As stated in the Directors' Report, in considering the ability of Assura to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate including the impact of Brexit, Covid-19 and the conflict in Ukraine, none of which, in themselves, are considered significant risks to the business based on the current position. The directors continue to monitor these, and any other emerging risks including climate change, as appropriate the directors have obtained an up-to-date understanding of Assura's forecasts, the continuing availability of its facilities and its strategic and contingent plans.

The financial forecasts show that borrowing facilities are adequate and the business can operate within these facilities and meet its obligations when they fall due for the foreseeable future. The Directors believe that the business is well placed to manage its current and reasonably possible future risks successfully. Additional details surrounding the principal risks facing the Assura plc Group (most of which are also relevant for the Assura Financing plc sub-Group) and appropriate mitigating actions can be found in the Assura plc financial statements for the year ended 31 March 2022 on pages 74 to 79. Although the Assura Financing plc sub-Group has a net current liability position, the majority of the liabilities are amounts owed to the immediate parent company and the Company has the continued support of the Assura plc Group.

Taking all these factors into account the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore they conclude that the going concern basis of preparation is appropriate for the period to 30 September 2023.

2. Accounting policies

2.1 Basis of preparation of financial statements

Assura Financing plc (the Company) is a company incorporated in the United Kingdom under the Companies Act. The Company is a public company limited by shares and is registered in England and Wales, and the address of the registered office is given on the company information page.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the strategic report on pages 1-4.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102), issued by the Financial Reporting Council.

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

The Group is run and management assess performance as one business and as such no segmental analysis is presented for the current or prior year results.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling.

As permitted by s408 of the Companies Act 2006, no separate profit and loss account or statement of Comprehensive income is presented in respect of the parent Company. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

In preparing the financial statements, management has considered the impact of climate change and considered the impact of the issues identified to be appropriately built into the financial statements (albeit the impact is currently considered immaterial to the carrying value of the Group's assets).

2.2 Financial reporting standard 102 - reduced disclosure exemptions

Assura Financing plc, meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the following disclosure exemptions in preparing the Company financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d)
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A
- the requirements of Section 33 Related Party Disclosures paragraph 33.7

This information is included in the consolidated financial statements of Assura plc as at 31 March 2022 and these financial statements may be obtained from www.assuraplc.com.

2.3 Basis of consolidation

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

In the Company financial statements, investments in subsidiaries are held at cost less any provision for impairment. In addition, the Company recognises dividend income when the rights to receive payment have been established (normally when declared and paid).

Where properties are acquired through the purchase of a corporate entity, but the transaction does not meet the definition of a business combination, the purchase is treated as an asset acquisition. Where the acquisition is considered a business combination, the excess of the consideration transferred over the fair value of assets and liabilities acquired is held as goodwill, initially recognised at cost with subsequent impairment assessments completed at least annually.

Investments in associates and joint ventures are accounted for using the equity method, initially recognised at cost and adjusted for post-acquisition changes in the Group's share of the net assets. Losses of the joint venture in excess of the Group's interest are not recognised. Investments which are not deemed to be subsidiaries or associates due to insufficient control are initially held at cost and subsequently remeasured to fair value through the income statement.

2.4 Revenue

Turnover relates primarily to rental income and is solely generated in the United Kingdom. Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease and is shown net of VAT.

2.5 Tangible assets

Properties are externally valued on an open market basis as at the balance sheet date and are recorded at valuation which the Directors believe is equivalent to fair value.

Any surplus or deficit arising on revaluing investment property and investment property under construction ("IPUC") is recognised in the income statement.

2.5 Tangible assets (continued)

All costs associated with the purchase and construction of IPUC are capitalised including attributable interest. Interest is calculated on the expenditure by reference to specific borrowings where relevant and otherwise on the average rate applicable to short-term loans. When IPUC are completed, they are classified as investment properties.

Leasehold properties that are leased out to tenants under operating leases are classified as investment properties or development properties, as appropriate, and included in the balance sheet at fair value.

Where an investment property is held under a head lease it is initially recognised as an asset as the sum of the premium paid on acquisition and the present value of minimum ground rent payments. The corresponding rent liability to the head leaseholder is included in the balance sheet as a liability.

The market value of investment property as estimated by an external valuer is increased for the unamortised pharmacy lease premium held at the balance sheet date.

Costs incurred prior to a development being legally committed ("on site") are recorded as property work in progress and held at cost, being transferred to investment property under construction when legally committed.

Amounts owed by subsidiary companies – fixed assets

Fixed assets include intercompany receivable amounts which are intended for use on a continuing basis in the subsidiary entity to support its activities.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount

2.7 *Financial instruments (continued)*

rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Taxation

Current tax is expected tax payable on any non-REIT taxable income for the period and is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are not taxable (or tax deductible).

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reverted at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

2.9 Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

2.10 Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets
An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not

2.10 Impairment of assets (continued)

lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

Financial assets
For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.
For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

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

The key assumptions concerning the future, and other sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Property valuations

The key source of estimation and uncertainty relates to the valuation of the property portfolio, where a valuation is obtained twice a year from professionally qualified external valuers. The evidence to support these valuations is based primarily on recent, comparable market transactions on an arm's length basis. However, the assumptions applied are inherently subjective and so are subject to a degree of uncertainty. Property valuations are one of the principal uncertainties of the Group and details of the accounting policies applied in respect of valuation are set out below. The valuation is most subjective to the inputs of net initial yield, equivalent yield and Estimated Rental Value ("ERV"), which are considered by the Group to be the assumptions with the highest risk of causing a material movement in the next financial year. Note 11 includes details and sensitivities of these outputs.

In the process of applying the Group's accounting policies, which are described in Note 2, the directors do not consider there to be significant judgements applied with regard to the policies adopted, other than in respect of property valuations as described above.

4. Auditor's remuneration

The audit fee for the year has been borne by a fellow group undertaking. No non-audit fees have been incurred during the current year (*2021*: same).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. Employees and directors' remuneration

The Group and Company have no employees, other than the directors.

Directors' emoluments for the year were £1,816,336 (2021: £1,961,636).

The highest paid Director received remuneration of £1,052,775 (2021: £1,187,000).

The disclosure above is in respect of all Directors which the Company employs.

The Directors have been remunerated from a combination of Assura plc and Assura Property Management Ltd during the year, but it is not practicable to allocate this between their services as executives of Assura plc and Assura Property Management Ltd and their services as Directors of Assura Financing plc and its subsidiaries.

6. Finance costs - net

	2022	*2021*
	£	*£*
Bank loans and private debt placement	**27,982,404**	23,295,647
Interest capitalised	**(887,576)**	(1,392,800)
Amortisation of loan issue costs	**1,904,234**	1,784,619
Bank interest receivable	**(352,216)**	(126,155)
Intra group interest	**(898,782)**	(1,005,352)
	27,748,064	22,555,959

7. Dividends

During the year a dividend of £55,000,000 was declared and paid to the parent company Assura IH Limited (2021: £64,500,000).

8. Taxation

	2022	*2021*
	£	*£*
Total current tax	**-**	-

The tax assessed for the year is lower than *(2021 - lower than)* the standard rate of corporation tax in the UK of 19% *(2021 - 19%)*. The differences are explained below:

8. Taxation (continued)

	2022 £	*2021 £*
Profit before tax	**152,749,513**	110,979,939
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**29,022,407**	21,086,188
Effects of:		
Effects of:		
Non-taxable income (REIT income)	**(29,022,407)**	(21,086,188)
Total tax charge for the year	**-**	-

Factors that may affect future tax charges

UK REIT election
The Group companies as part of the Assura plc Group have elected to be treated as a UK REIT. The UK REIT rules exempt the profits of companies of the Group from corporation tax. Gains on properties are also exempt from tax, provided they are not held for trading or sold in the three years post completion of development. All other gains and profits will be subject to UK corporation tax.

UK main rate of corporation tax
An increase in the main rate of corporation tax from 19% to 25%, effective from April 2023, was substantively enacted on 24 May 2021. It is not anticipated that the change of tax rate will have any impact on the company's tax charge due to its status as a UK REIT.

9. Fixed asset investments

9.1 Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Assura Aspire Limited	Ordinary	100%	Property investment
Assura Aspire UK Limited	Ordinary	100%	Property investment
Trinity Medical Properties Limited	Ordinary	100%	Property investment
Malmesbury Medical Enterprises Limited	Ordinary	100%	Property investment
Assura Primary Care Properties Limited	Ordinary	100%	Property investment
Assura PCP UK Limited	Ordinary	100%	Property investment
Assura CVSK Limited	Ordinary	100%	Dormant company

9.1 Subsidiary undertakings (continued)

Metro MRM Limited	Ordinary	100%	Property investment
Metro MRH Limited	Ordinary	100%	Property investment
Park Medical Services Limited	Ordinary	100%	Property investment
Assura Trellech Limited	Ordinary	100%	Property investment
Assura HC Limited	Ordinary	100%	Property investment
Assura HC UK Limited	Ordinary	100%	Property investment
Assura Health Investments Limited	Ordinary	100%	Property investment
Newton Healthcare Limited	Ordinary	100%	Property investment
Pentagon HS Limited	Ordinary	100%	Property investment
Donnington Healthcare Limited	Ordinary	100%	Property investment
Meridian Medical Services Limited	Ordinary	100%	Property Investment
Prospect Medical (Malvern) Limited	Ordinary	100%	Property Investment
General Practice Investment Corporation Limited	Ordinary	100%	Dormant company
Assura (GHC) Limited	Ordinary	100%	Property investment
Assura Medical Centres Limited	Ordinary	100%	Property investment
Medical Properties Limited	Ordinary	100%	Property investment
Metro MRI Limited	Ordinary	100%	Property investment
Assura (SC1) Limited	Ordinary	100%	Property investment
Assura (SC2) Limited	Ordinary	100%	Property investment
SJM Developments Limited	Ordinary	100%	Property investment
Assura Properties Limited	Ordinary	100%	Property Investment
Assura Properties UK Limited	Ordinary	100%	Property Investment
BHE (Heartlands) Limited	Ordinary	100%	Property Investment
BHE (St James) Limited	Ordinary	100%	Property Investment
Upton Community Health Care Limited	Ordinary	100%	Property Investment
Shotfield Development Business Partnership Limited	Ordinary	100%	Property Investment
Assura P1 Limited	Ordinary	100%	Dormant company
Assura P2 Limited	Ordinary	100%	Dormant company
Assura P3 Limited	Ordinary	100%	Dormant company
Assura P4 Limited	Ordinary	100%	Dormant company
Assura P5 Limited	Ordinary	100%	Dormant company
Assura P6 Limited	Ordinary	100%	Dormant company

9.1 Subsidiary undertakings (continued)

The registered office of all subsidiaries is The Brew House, Greenalls Avenue, Warrington, WA4 6HL.

Company	**Investments in subsidiaries**
	£
As at 1 April 2021	**448,611,950**
Additions	**21,427,117**
Impairment	**(1,257,213)**
As at 31 March 2022	**468,781,854**

Impairment recorded in the year relates to one subsidiary where the net asset values have fallen below the carrying value of the investment.

9.2 Joint ventures

The Group has a 50% interest in and joint control of Theia Investments LLP, a joint venture with Modality Partnership. The LLP is registered in England (the registered address is The Brew House, Greenalls Avenue, Warrington WA4 6HL). There was no profit or loss for the year ended 31 March 2022. The carrying amount of interests in joint ventures was £3,117,536 (2021: n/a).

10. Amounts owed by subsidiary companies – fixed assets

	Group 2022 £	*Group 2021 £*	**Company 2022 £**	*Company 2021 £*
Amounts owed by subsidiary companies	-	-	**1,910,806,722**	1,617,813,669
	-	-	**1,910,806,722**	1,617,813,669

The above amounts are unsecured, non-interest bearing and repayable on demand. The amounts have been included as fixed assets on the basis that the amounts are intended for use on a continuing basis in the borrowing companies activities.

The recoverable amount of amounts receivable from subsidiaries is reviewed annually by reference to the subsidiary balance sheet and expected future activities, with a provision included to the extent the amount is not recoverable. No provision has been deemed necessary.

11. Tangible assets

Group

	Investment property	Investment property under construction	Assets held for sale	Total
	£	£	£	£
As at 1 April 2021	2,294,864,331	29,276,701	14,710,000	2,338,851,032
Transfers intra group	82,884,989	-	-	82,884,989
Additions	208,765,272	38,997,001	-	247,762,273
Interest capitalised	-	887,576	-	887,576
Disposals	(420,000)	-	(14,360,000)	(14,780,000)
Surplus on revaluation	66,657,929	3,110,611	-	69,768,540
Transfer between classes	(40,326,240)	(35,703,760)	76,030,000	-
As at 31 March 2022	2,612,426,281	36,568,129	76,380,000	2,725,374,410

The value of investment property is £2,688.8m which is comprised of completed investment property of £2,612.4m plus £76.4m of assets held for sale. At 31 March 2022, 63 assets are held as available for sale (2021: 20).

During the year, 11 properties were disposed of which were considered to have lower growth prospects than the remainder of the portfolio, generating proceeds of £15.1m at a premium over book value of £0.3m.

The Group also held investment property under construction valued at £36.6m at 31 March 2022. During the year six developments were competed resulting in a transfer of £35.7m from property under construction to investment property.

The fair value has been determined by the Group's external valuers CBRE, Cushman & Wakefield and Jones Lang LaSalle. The properties have been valued individually and on the basis of open market value (which the Directors consider to be the fair value) in accordance with RICS Valuation – Professional Standards 2020 ("the Red Book").

The key unobservable inputs in the property valuation are the equivalent yield and the ERV, which are explained in more detail below. It is also worth noting that the properties are subject to physical inspection by the valuers on a rotational basis (at least once every three years).

The net equivalent yield ranges from 3.6% to 8.3% (2021: 3.8% to 8.1%) in respect of 94% of the portfolio by value. A decrease in the net equivalent yield applied to a property would increase the market value. Factors that affect the yield applied to a property include the weighted average unexpired lease term, the estimated future increases in rent, the strength of the tenant covenant and the physical condition of the property. Lower yields generally represent properties with index-linked reviews, 100% NHS tenancies and

11. Tangible assets (continued)

longer unexpired lease terms, ranging from 3.5% to 4.5%. Higher yields (range 5% to 8%) are applied for a weaker tenant mix and leases approaching expiry. The Groups properties have a range of tenant mixes, rent review basis and unexpired terms. A 0.25% shift of net equivalent yield would have approximately a £153m (2021: £132m) impact on the investment property valuation.

The ERV ranges from £100 to £669 per sq.m in respect of 100% of the portfolio by value. An increase in the ERV of a property would increase the market value. A 2% increase in the ERV would have approximately a £54.8m (2021: £48.3m) increase in the investment property valuation. The nature of the sector the Group operates in, with long unexpired lease terms, low void rates, low tenant turnover and upward only rent review clauses, means that a significant fall in the ERV is considered unlikely.

The historical cost of the property included at valuation was £2,265m (2021: £2,114m).

Interest was capitalised at the appropriate cost of finance at commencement ranging between 4% and 5%.

12. Property costs work in progress

	Group 2022 £	*Group 2021 £*	**Company 2022 £**	*Company 2021 £*
Property costs work in progress	**8,719,331**	9,108,171	-	-
	8,719,331	9,108,171	-	-

Costs incurred prior to a development being legally committed ("on site") are recorded as property work in progress and held at cost, being transferred to investment property under construction when legally committed. .

13. Debtors

	Group 2022 £	*Group 2021 £*	**Company 2022 £**	*Company 2021 £*
Trade debtors	**13,335,418**	15,875,683	-	-
Amounts owed by other group companies	**11,977,736**	9,697,168	**10,346,010**	-
Other debtors	**4,478,304**	1,320,016	-	-
Prepayments and accrued income	**6,216,228**	5,735,351	-	-
	36,007,686	32,628,218	**10,346,010**	-

The balance owed by group undertakings is unsecured, interest free and repayable on demand.

Trade receivables are recognised initially at their transaction price and subsequently measured at amortised cost less loss allowance for expected credit losses.

The Group's principal customers are invoiced and pay quarterly in advance, usually on the English quarter days. Other debtors are generally on 30–60 days' terms.

At 31 March 2022 the Group has not recognised a loss allowance for any debts that were past due but not impaired as historical experience has indicated that the risk profile of trade receivables is deemed low and the bulk of the Group's income derives from the NHS or is reimbursed by the NHS; the risk of default is not considered significant (2021: same).

14. Cash and cash equivalents

	Group 2022 £	*Group 2021 £*	**Company 2022 £**	*Company 2021 £*
Cash at bank and in hand	**235,072,254**	35,951,024	**225,214,915**	9,408,516
Restricted cash	**110,341**	338,529	-	14,344
	235,182,595	36,289,553	**225,214,915**	9,422,860

Restricted cash arises where there are rent deposits, interest payments guarantees, cash is ring fenced for committed property development expenditure, which is released to pay contractors' invoices directly, or under the terms of security arrangements under the Group's banking facilities or its bond.

15. Creditors: amounts falling due within one year

	Group 2022 £	*Group 2021 £*	**Company 2022 £**	*Company 2021 £*
Trade creditors	**2,005,822**	3,048,594	**-**	-
Amounts owed to parent	**1,268,764,041**	1,043,857,575	**1,259,416,316**	1,024,415,920
Amounts owed to subsidiaries	**-**	-	**1,154,294**	625,264
Amounts owed to other group companies	**-**	36,561,810	**-**	-
Other taxation and social security	**2,562,981**	3,723,983	**-**	-
Other creditors	**2,243,747**	1,403,729	**-**	2,297
Accruals	**28,245,585**	21,966,453	**16,611,375**	13,029,758
Deferred income	**29,701,705**	24,768,465	**-**	-
	1,333,523,881	1,135,330,607	**1,277,181,985**	1,038,073,239

16. Creditors: amounts falling due after more than one year

	Group 2022 £	*Group 2021 £*	**Company 2022 £**	*Company 2021 £*
Bank loans and private debt placement	**1,250,303,739**	953,862,886	**1,250,303,739**	953,862,886
Loan facility fees	**(5,858,081)**	(5,139,832)	**(5,858,081)**	(5,139,831)
Bank loans (see note 17)	**1,244,445,658**	948,723,054	**1,244,445,658**	948,723,055
Deferred income	**6,267,312**	6,408,119	**-**	-
	1,250,712,970	955,131,173	**1,244,445,658**	948,723,055

17. Bank loans

	Group 2022 £	*Group 2021 £*	**Company 2022 £**	*Company 2021 £*
Amounts falling between one and five years	**170,000,000**	-	**170,000,000**	-
After five years	**1,074,445,658**	948,723,054	**1,074,445,658**	948,723,054
	1,244,445,658	948,723,054	**1,244,445,658**	948,723,054

The Group has the following bank facilities:

1. 10-year senior unsecured bond of £300 million at a fixed rate of 3% maturing July 2028, 10-year senior unsecured Social Bond of £300 million at a fixed interest rate of 1.5% maturing September 2030 and 12-year senior unsecured Sustainability Bond of £300 million at a fixed rate of 1.625% maturing in June 2033. The Social and Sustainability Bonds were launched in accordance with Assura's Social & Sustainable Finance Frameworks respectively to be used for eligible investment in the acquisition, development and refurbishment of publicly accessible primary care and community healthcare centres. The bonds are subject to an interest cover requirement of at least 150%, maximum LTV of 65% and priority debt not exceeding 0.25:1. In accordance with pricing convention in the bond market, the coupon and quantum of the facility are set to round figures with the proceeds adjusted based on market rates on the day of pricing.

2. Five-year club revolving credit facility with Barclays, HSBC, NatWest and Santander for £125 million on an unsecured basis at an initial margin of 1.60% above SONIA, expiring in November 2024. The margin increases based on the LTV of the subsidiaries to which the facility relates, up to 1.95% where the LTV is in excess of 45%. The facility is subject to a historical interest cover requirement of at least 175% and maximum LTV of 60%. As at 31 March 2022, the facility was undrawn (2021: undrawn).

3. 10-year notes in the US private placement market for a total of £100 million. The notes are unsecured, have a fixed interest rate of 2.65% and were drawn on 13 October 2016. An additional £107 million of notes were issued in two series, £47 million in August 2019 and £60 million in October 2019, with maturities of 10 and 15 years respectively and a weighted average fixed interest rate of 2.30%. The facilities are subject to a historical interest cover requirement of at least 175%, maximum LTV of 60% and a weighted average lease length of seven years.

4. £150 million of unsecured privately placed notes in two tranches with maturities of eight and ten years drawn on 20 October 2017. The weighted average coupon is 3.04%. The facility is subject to a historical cost interest cover requirement of at least 175%, maximum LTV of 60% and a weighted average lease length of seven years.

The Group has been in compliance with all financial covenants on all of the above loans as applicable throughout the period.

18. Financial Instruments

The Group holds cash and liquid resources as well as having debtors and creditors that arise directly from its operations. Information regarding the group's exposure to and management of credit risk, liquidity risk, cash flow risk and interest rate risk is included in the Strategic report.

The carrying value of the Group's financial assets and liabilities are summarised by category below:

	Group 2022	*Group 2021*
Non-derivative financial assets:	**£**	£
Cash (see note 14)	**235,182,595**	36,289,553
Trade and other debtors (see note 13)	**17,813,722**	17,195,699
Amounts owed by other group companies (see note 13)	**11,977,736**	9,697,168
	264,974,053	63,182,420
Non-derivative financial liabilities:		
Bank loans (see note 17)	**1,244,445,658**	948,723,054
Trade and other creditors (see note 15)	**4,249,569**	4,452,323
Amounts owed to parent / other group companies (see note 15)	**1,268,764,041**	1,080,419,385
	2,517,459,268	2,033,594,762

Net Debt

	Group 2022 £	*Group 2021 £*	**Company 2022 £**	*Company 2021 £*
Total debt at 1 April	**2,029,142,439**	1,611,540,111	**1,973,764,238**	1,597,074,331
Amount drawn in year	**315,857,000**	298,338,530	**315,857,000**	298,338,530
Amount repaid in year	**(20,000,000)**	(80,000,000)	**(20,000,000)**	(80,000,000)
Loan issue costs	**(2,038,630)**	(3,180,461)	**(2,038,630)**	(3,180,461)
Amortisation of loan issue costs	**1,904,234**	1,784,619	**1,904,234**	1,784,619
Intercompany movement	**188,344,656**	200,659,640	**235,529,426**	159,747,219
Total debt at 31 March	**2,513,209,699**	2,029,142,439	**2,505,016,268**	1,973,764,238
Third party debt	**1,244,445,658**	948,723,054	**1,244,445,658**	948,723,054
Intercompany debt	**1,268,764,041**	1,080,419,385	**1,260,570,610**	1,025,041,184
Total debt at 31 March	**2,513,209,699**	2,029,142,439	**2,505,016,268**	1,973,764,238
Cash	**(235,182,595)**	(36,289,553)	**(225,214,915)**	(9,422,860)
Net debt at 31 March	2,278,027,104	1,992,852,886	2,279,801,353	1,964,341,378

19. Share capital

	2022 £	*2021* *£*
Shares classified as equity		
Allotted, called up and fully paid		
87,489,373 - Ordinary shares of £1 each	**87,489,373**	87,489,373

One class of shares with no rights to fixed income.

20. Commitments

At the year end the Group had 12 committed developments which were all on site with a contracted total expenditure of £99.1 million of which £33.2 million had been expended.

21. Related party transactions

The company has taken advantage of the exemption conferred by section 33.1A of FRS 102 "Related Party Disclosures" not to disclose related party transactions on the grounds that 100% of the company's voting rights are controlled within the Assura Group, and consolidated financial statements in which the company is included, are publicly available.

The total remuneration for key management personnel has been disclosed in note 5, being the remuneration for the directors of Assura Financing Plc.

22. Controlling party

The ultimate controlling party is Assura plc, a company incorporated in England. This is the smallest group in which the results of the Company are consolidated. Copies of the group financial statements are available from Assura plc's registered office, The Brew House, Greenalls Avenue, Warrington, Cheshire, WA4 6HL and also from the Group's Website www.assuraplc.com.

At the date these financial statements were approved, the immediate parent was Assura IH Limited, a company incorporated in England.