

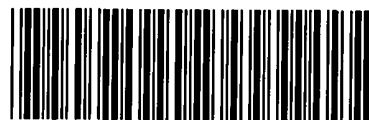
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**ULIVING@ESSEX ISSUERCO PLC**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 FEBRUARY TO 31 DECEMBER 2017**

FRIDAY



L10 \*L795C8XD\* 29/06/2018 #39  
COMPANIES HOUSE

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**ULIVING@ESSEX ISSUERCO PLC**

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**COMPANY INFORMATION**

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<b>Directors</b>	M Fowkes (appointed 4 January 2017) P Sheldrake (appointed 4 January 2017, resigned 8 May 2018) R Gillespie (appointed 8 May 2018) D Vermeer (appointed 8 May 2018)
<b>Company secretary</b>	D Adams
<b>Registered number</b>	10546935
<b>Registered office</b>	Welken House 10-11 Charterhouse Square London EC1M 6EH
<b>Independent auditors</b>	BDO LLP 55 Baker Street London W1U 7EU

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**ULIVING@ESSEX ISSUERCO PLC**

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## **ULIVING@ESSEX ISSUERCO PLC**

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### **STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017**

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#### **Introduction**

The Directors present their first annual Strategic Report, the Directors' Report and the audited financial statements from incorporation on 1 February 2017 to 31 December 2017.

#### **Business review**

##### **Operations**

The Company's sole operation is the funding for its fellow group company, Uliving@Essex Limited. Uliving@Essex Limited is contracted by the University of Essex through a PFI/PPP management contract for the ongoing maintenance of two student accommodation blocks.

##### **Performance**

The Company's sole purpose is to provide funding to Uliving@Essex Limited for the maintenance of student accommodation which has been achieved during the period. The Company's Statement of Comprehensive Income shows a result of £Nil for the period. This is line with the Company's role as a special purpose lending vehicle which does not seek to generate a return on its intra-group lending.

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## ULIVING@ESSEX ISSUERCO PLC

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### STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2017

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#### Principal risks and uncertainties

The key principal risks and uncertainties to the Company are as follows:

##### Liquidity Risk

The Company's liquidity risk is managed by an intercompany arrangement whereby Uliving@Essex Limited, a fellow group company, manages the liquidity of the project by forecasting future cash flows to ensure the debt is repaid in accordance with the funding agreements.

##### Credit Risk

The Company's principal financial liability is a secured bond, loaned onwards to Uliving@Essex Limited. As per the Bond Trust Deed, a fixed and floating charge debenture has been granted by Uliving@Essex HoldCo Limited in favour of the Security Trustee (the "HoldCo Debenture").

The Company's credit risk is primarily attributable to Uliving@Essex Limited credit management. Credit risk is managed by mutual management of both companies, and maintaining the creditworthiness of the client through contractual income.

##### Financial Risk Management

The Company has a single client (Uliving@Essex Limited); although loss of this client would be financially significant, the Company's client mitigates this risk via project contracts.

The Company matches maturity profiles of financial assets and liabilities, with all liabilities being back to back, and the Company's client earning income from credit-worthy UK government authorities. The Company has no significant expenditure of its own, with its main activity being intercompany finance.

The Company's principal financial instrument comprises bonds listed on the Irish Stock Exchange. Bonds issued by the Company consist of £98,200,000 of guaranteed secured bonds due at 30 September 2058. The main purpose of these bonds was to fund Uliving@Essex Limited in the management of student housing in Essex.

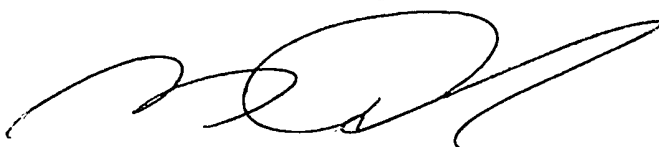
The main risk arising from the company's financial instruments is interest rate risk and inflation risk. The Company has entered into a RPI linked interest rate bond to minimise risk from movement in base interest rates. Inflation risk is mitigated by linking RPI increases to rental income increases. Uliving@Essex IssuerCo Plc are reliant on Uliving@Essex Limited to make repayments to them so that external repayments can be met.

##### Financial key performance indicators

The key indicators of performance revolve around the repayment of bonds, which is based on the available cash in Uliving@Essex Limited. On this measure, due to common management of Uliving@Essex Limited the Directors are satisfied that there will be sufficient future cash generation to always be in a position to make the repayments of capital and interest on the due dates.

This report was approved by the board on 29 June 2018 and signed on its behalf.

**M Fowkes**  
Director



**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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The Directors present their report and the financial statements for the period ended 31 December 2017.

**Results and dividends**

The profit for the period, after taxation, amounted to £NIL.

There were no dividends declared or paid.

**Directors**

The Directors who served during the period were:

M Fowkes (appointed 4 January 2017)  
P Sheldrake (appointed 4 January 2017, resigned 8 May 2018)  
D Vermeer (appointed 8 May 2018)  
R Gillespie (appointed 8 May 2018)

**Going concern**

The Directors have considered the stability of financial counterparties to this project during the operational phase and have concluded that all financial counterparties have the ability to meet all contractual obligations associated to the senior lending facilities.

The Directors have also considered the ability of the fellow subsidiary, Uliving@Essex Limited, to continue to service the debt and based on the contractual arrangements in place, they do not consider this to be a material risk.

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

**Future developments**

The Directors of the Company are not aware of any circumstances by which the principal activity of the Company would alter or cease.

**Qualifying third party indemnity provisions**

The directors of Uliving@Essex Issuerco plc have qualifying third party indemnity provisions put in place through other companies of which they are also directors.

**Disclosure of information to auditors**

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are 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's auditors are aware of that information.

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**ULIVING@ESSEX ISSUERCO PLC**

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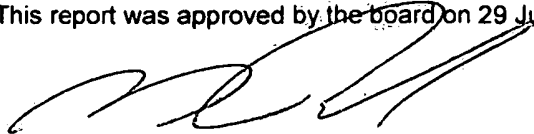
**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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**Auditors**

The Company's first auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29 June 2018 and signed on its behalf.



**M Fowkes**  
Director

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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



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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ULIVING@ESSEX ISSUERCO PLC**

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**Opinion**

We have audited the financial statements of Uliving@Essex IssuerCo Plc ('the Company') for the period ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

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

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2017 and of the result 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.

**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 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.

**Conclusions relating to going concern**

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

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

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ULIVING@ESSEX ISSUERCO PLC  
(CONTINUED)**

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**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) we identified, including 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 forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Key audit matter**

***Revenue Recognition***

As detailed in note 2.3, revenue for the company, as a finance company, represents interest receivable under a loan agreement to its fellow subsidiary.

As described in the company's accounting policies in note 2, interest is recognised using the effective interest method and UK GAAP requires that a market rate of interest is used. We therefore considered this to be an area of significant audit risk and focus to ensure that the revenue recognition was complete and appropriately valued.

**How we addressed the key audit matter in the audit**

Our audit work included, but was not restricted to, the following:

- We reviewed the company's loan agreements in place with fellow group companies in relation to funds advanced and undertook a proof in total of the expected interest receivable by reference to the loan agreement terms and average loan balance
- We assessed if the interest rate applied to the loans equates to a market rate based on benchmarking.
- We assessed whether or not the revenue recognition policies adopted complied with UK GAAP.

**Key observations**

We did not identify any significant issues from the audit work performed in respect of revenue recognised.

**Key audit matter**

***Debt recovery***

As detailed in strategic report, the funding raised by the company is loaned to a fellow group company contracted by the University of Essex through a management contract to manage two blocks of student accommodation in Essex.

As described in the company's accounting policies in note 2, assessment of recovery of the debt provided to a group company is a key area of judgement and we therefore considered this to be an area of significant audit risk and focus.

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## ULIVING@ESSEX ISSUERCO PLC

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ULIVING@ESSEX ISSUERCO PLC (CONTINUED)

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#### How we addressed the key audit matter in the audit

Our audit work included, but was not restricted to, the following:

- We agreed the balances of the loans receivable as at the reporting date into the group company's records.
- We reviewed the financial position of the group company to whom the company has loaned funding to support management's assessment of recovery. Where recovery is dependent of future operating activity of this group company, model forecasts were reviewed in terms of the assumptions made to determine if the funding is considered recoverable.

#### Key observations

We did not identify any significant issues from the audit work performed in respect of debt receivables.

#### Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

The materiality for the financial statements as a whole was set at £987,000. This was determined with reference to a benchmark of company's total assets (of which it represents 1.0 per cent) which we consider to be one of the principal considerations for members of the company in assessing the financial performance of this asset based company.

International Standards on Auditing (UK) also allow the auditor to set a lower materiality for particular classes of transactions, balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. In this context, we set a lower level of materiality of £67,000 to apply to those classes of transactions and balances which impact on the company's profit or loss.

When performing our audit procedures, we apply a lower level of materiality, known as performance materiality, to address the risk that the aggregate of individually immaterial misstatements may cause the financial statements to be materially misstated. We set performance materiality at 75% of the respective materiality level, having considered a number of factors including the expected total value of known and likely misstatements (based on past experience and other factors) and management's attitude toward proposed adjustments.

We agreed with the Board that we would report to the Board all individual audit differences in excess of £1,300. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

#### An overview of the scope of our audit

Our audit of the company was scoped by obtaining an understanding of the company and its environment, including the company's system of internal control, and assessing the risks of material misstatement at the company level. Audit work to respond to the assessed risks was performed directly by the audit engagement team who performed full scope audit procedures on the company.

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**ULIVING@ESSEX ISSUERCO PLC**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ULIVING@ESSEX ISSUERCO PLC  
(CONTINUED)**

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**Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinion on other matter 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 period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ULIVING@ESSEX ISSUERCO PLC  
(CONTINUED)**

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

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

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

**Responsibilities of Directors**

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

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

**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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.

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**ULIVING@ESSEX ISSUERCO PLC**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ULIVING@ESSEX ISSUERCO PLC  
(CONTINUED)**

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Alexander Tapp (Senior Statutory Auditor)

for and on behalf of  
**BDO LLP**

55 Baker Street  
London  
W1U 7EU

29 June 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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**ULIVING@ESSEX ISSUERCO PLC**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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	Note	Period ended 31 December 2017 £000
Interest income		3,180
<b>Gross profit</b>		<b>3,180</b>
Interest payable and similar expenses	6	(3,180)
<b>Result before tax</b>		<b>-</b>
Tax on result	7	-
<b>Result for the financial period</b>		<b>-</b>
<b>Other comprehensive income for the period</b>		<b>-</b>
<b>Total comprehensive income for the period</b>		<b>-</b>

The notes on pages 15 to 22 form part of these financial statements.

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**ULIVING@ESSEX ISSUERCO PLC**  
**REGISTERED NUMBER: 10546935**

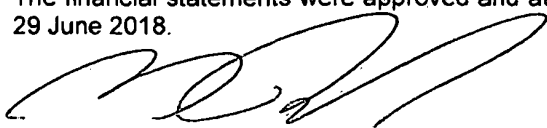
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**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

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	Note	2017 £000
<b>Current assets</b>		
Debtors: amounts falling due after more than one year	8	93,763
Debtors: amounts falling due within one year	8	2,231
		<u>95,994</u>
Creditors: amounts falling due within one year	9	(2,131)
<b>Net current assets</b>		<u>93,863</u>
<b>Total assets less current liabilities</b>		<u>93,863</u>
Creditors: amounts falling due after more than one year	10	(93,813)
<b>Net assets</b>		<u>50</u>
<b>Capital and reserves</b>		
Called up share capital	12	50
		<u>50</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 June 2018.



**M Fowkes**  
Director

The notes on pages 15 to 22 form part of these financial statements.



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**ULIVING@ESSEX ISSUERCO PLC**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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	<b>Called up share capital £000</b>	<b>Total equity £000</b>
<b>Total comprehensive income for the period</b>	-	-
<b>Total comprehensive income for the period</b>	-	-
<b>Shares issued during the period</b>	<b>50</b>	<b>50</b>
<b>Total transactions with owners</b>	<b>50</b>	<b>50</b>
<b>At 31 December 2017</b>	<b>50</b>	<b>50</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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**1. General information**

ULiving@Essex Issuerco plc is a public limited company by shares and incorporated and domiciled in England and Wales. The registered office is as stated on the company information page.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

The financial statements are presented in Sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £000.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. The Company is included in the consolidated financial statements of its parent undertaking ULiving@Essex Holdco Limited. The company information page provides details of where those consolidated financial statements may be obtained from, which is the registered office address.

In preparing the financial statements, the Company has taken advantage of the following exemptions:

- from disclosing key management personnel compensation, as required by paragraph 7 of Section 33 Related Party Disclosures;
- from presenting a reconciliation of the number of shares outstanding at the beginning and end of the year, as required by paragraph 12 of Section 4 Statement of Financial Position; and
- from presenting a statement of cash flows, as required by Section 7 Statement of Cash Flows.

On the basis that equivalent disclosures are given in the consolidated accounts of the parent company, the Company has also taken advantage of the exemption not to provide certain disclosures as required by Section 11 Basic Financial Instruments and Section 12 Other Financial Instrument Issues.

The following principal accounting policies have been applied:

**2.2 Going concern**

The Directors have considered the stability of financial counterparties to this project during the operational phase and have concluded that all financial counterparties have the ability to meet all contractual obligations associated to the senior lending facilities.

The Directors have also considered the ability of the fellow subsidiary, ULiving@Essex Limited, to continue to repay its loan to the Company and consequently pay the bonds and do not consider this to be a material risk.

After making enquires, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)**

**2.3 Revenue**

This represents interest and bond indexation receivable from loans to group undertakings as the nature of the Company's trade is to provide finance to other group companies.

The Company has one segment so no further analysis is provided.

**2.4 Debtors**

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

**2.5 Creditors**

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

Bonds 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 and loss 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.

**2.6 Interest receivable and payable**

Interest receivable and payable is recognised in the profit and loss in the period in which it arises, using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

**2.1 Critical judgements in applying the Company's accounting policies**

The critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are discussed below.

**Assessing whether the Company meets the definition of a financial institution**

The directors have performed an assessment to conclude whether the Company meets the definition of a financial institution as set out by FRS 102. Entities that meet this definition are required to present additional disclosures as required by FRS 102 Section 34 Specialised Activities.

A financial institution includes entities "whose principal activity is to generate wealth or manage risk through financial instruments". The principal activity of the Company is deemed by the directors to be the sourcing of funding directly from the capital markets to on-lend to other group members. Funding obtained is secured on the assets of other group members, and interest charges are passed to other group members, hence the Company itself does not generate profit from the arrangement.

As such, the directors do not regard the Company to fall within the definition of a financial institution; this being on the basis that the Company's use of financial instruments is not primarily for the generation of wealth or for the management of risk, but rather for the purpose of raising finance on behalf of the parent company.

**2.2 Key sources of estimation uncertainty**

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

**Recoverability of intercompany debt**

The Directors have made a key judgement in regards to the ongoing recoverability of the intercompany debt. The Company's single client, ULiving@Essex Limited, is a mutually managed company with a defined income stream from a credit-worthy UK government authority. The Directors continue to provide an ongoing assessment of the projected project cash flows, and as such deem the debt to be recoverable.

**4. Auditors' remuneration**

The audit fee of £13,800 for the Group, is fully borne by ULiving@Essex Limited.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017

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**5. Employees**

The Company had no employees during the period. No Directors received any remuneration for their services to the Company.

**6. Interest payable and similar charges**

	Period ended 31 December 2017 £000
Bank interest payable	85
Bond interest payable	3,005
Amortisation of finance costs	90
	<u>3,180</u>

**7. Taxation**

	Period ended 31 December 2017 £000
Total current tax	<u>-</u>
Deferred tax	<u>-</u>
Total deferred tax	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017

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7. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is the same as the standard rate of corporation tax in the UK of 19.25% as set out below:

	Period ended 31 December 2017 £000
Effects of:	
Total tax charge for the period	<hr/> - <hr/>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

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**ULIVING@ESSEX ISSUERCO PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Debtors**

	<b>2017 £000</b>
<b>Due after more than one year</b>	
Amounts owed by group undertakings	<b>93,763</b>
	<b>93,763</b>
	<b>2017 £000</b>
<b>Due within one year</b>	
Amounts owed by group undertakings	<b>2,231</b>
	<b>2,231</b>

The terms of the on-lending agreement underlying the intra group debtor mirror those of the Company's bond liability shown within creditors. Further information in respect of these instruments are set out in note 9 (Creditors).

**9. Creditors: Amounts falling due within one year**

	<b>2017 £000</b>
Bonds	<b>2,231</b>
Unamortised debt issue costs	<b>(100)</b>
	<b>2,131</b>

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10. Creditors: Amounts falling due after more than one year

	2017 £000
Bonds	97,237
Unamortised debt issue costs	(3,424)
	<u>93,813</u>

**Secured Bonds**

£98,200,000 0.1 per cent Guaranteed Secured Indexed Bonds due 2058 were issued on 24 February 2017 and listed on the Irish Stock Exchange. The proceeds were subsequently loaned to ULiving@Essex Limited, a fellow group company. As at 31 December 2017 £99,469,305 of the bond facility is outstanding, and principal repayments commenced on 28 February 2017 with semi-annual repayments thereafter, payable in line with the facilities agreement.

As per the Bond Trust Deed, a fixed and floating charge debenture has been granted by ULiving@Essex HoldCo Limited in favour of the Security Trustee (the "HoldCo Debenture").

	2017 £000
<b>Bonds are repayable as follows</b>	
Within one year	2,231
Between one and two years	2,273
Between two and five years	6,991
More than five years	87,974
Less unamortised finance costs	(3,524)
	<u>95,945</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**11. Financial instruments**

	<b>2017 £000</b>
<b>Financial assets</b>	
Amounts owed by group undertakings	<b>99,519</b>
	<b>99,519</b>
<b>Financial liabilities</b>	
Bonds	<b>(99,468)</b>
	<b>(99,468)</b>

Financial assets measured at amortised cost comprise cash at bank and in hand and group debtors gross of any unamortised finance costs.

Financial liabilities measured at amortised cost comprise loans, gross of any unamortised finance costs.

**12. Share capital**

	<b>2017 £000</b>
<b>Shares classified as equity</b>	
<b>Allotted, called up and fully paid</b>	
50,000 Ordinary shares of £1 each	<b>50</b>

ULiving@Essex Holdco Limited is the registered holder of 50,000 shares of £1. The shares were issued on incorporation of the Company on 4 January 2017 at par for cash consideration. ULiving@Essex Holdco Limited acquired its shares on 4 January 2017.

The holders of the ordinary shares are each entitled to one vote per share. The shares carry no right to fixed income and are non-redeemable.

**13. Controlling party**

The smallest and largest group in which the results of the Company are consolidated is ULiving@Essex HoldCo Limited. Copies of consolidated accounts of the Group are available at Companies House.

The ultimate parent and controlling party is considered to be Equitix Fund II LP, a limited partnership in England and Wales. Copies of those accounts can be obtained from Welken House, 10-11 Charterhouse Square, London, EC1M 6EH.