

Registered number: 10546935

ULIVING@ESSEX ISSUERCO PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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ULIVING@ESSEX ISSUERCO PLC

COMPANY INFORMATION

Directors
M Fowkes
R Gillespie (resigned 1 February 2022)
D Vermeer

Registered number 10546935

Registered office
3rd Floor South Building
200 Aldersgate Street
London
EC1A 4HD

Independent auditors
UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London
E1W 1YW

ULIVING@ESSEX ISSUERCO PLC

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ULIVING@ESSEX ISSUERCO PLC

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Introduction

The Directors present their annual Strategic Report, the Directors' Report and the audited financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the Company is the provision of finance through the listing of bonds on the Irish Stock Exchange, passing through the proceeds of the bonds to a group company (ULiving@Essex Limited).

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 (2020: £Nil). 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.

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. Interest income of £3,751k in the year (2020: £1,186k) matched the interest payable of £3,751k (2020: £1,186k) and the Company has a net asset balance of £50k (2020: £50k).

ULIVING@ESSEX ISSUERCO PLC

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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 Management Risk

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. Rental income is RPI linked and reviewed annually to mitigate interest these risks. ULiving@Essex IssuerCo Plc are reliant on ULiving@Essex Limited to make repayments to them so that external repayments can be met.

Interest rate 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.

Section 172 statement

Under the requirements of section 172 Companies Act the Directors are required to make a statement on how they have carried out their duty to promote the success of the company for the benefit of its members as a whole having regard to the matters set out in section 172(1):

- (a) the likely consequences of any decision in the long-term;
- (b) the interests of the company's employees;
- (c) the need to foster the company's business relationships with suppliers, customers, and others;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standard of business conduct;
- (f) the need to act fairly between members of the company.

ULIVING@ESSEX ISSUERCO PLC

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

The company is a SPV in that its purpose is to provide funding to a group company, as such it does not have any employees. Therefore, the main stakeholders of the company are the shareholders, the university, service providers, bond guarantors and trustees.

Shareholders

An open communication is maintained with its shareholders on an on-going basis and as questions arise.

The University

A General Manager is appointed to deal with communications with the university, which are held formally on a regular basis and as well as ad hoc meetings when required to discuss any issues, nominations, student numbers, additional requirements of the university which will include major maintenance and variations.

The Board are regularly kept updated of the relationship with the university, the performance of the project and the KPI achievement as stated in the project agreement at the quarterly Board meetings.

Service providers

A service provider manager handles the management of the project company's relationships with the University and its subcontractors through monthly operational meetings. The Board at the quarterly meetings reviews these relationships to ensure they are positive and deal with any issues promptly.

Bond guarantors and trustees

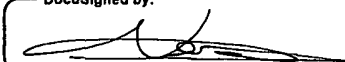
Communication is maintained with its bond guarantors and trustees on an on-going basis and as questions arise. In addition Standard & Poor's, the credit rating agency, do a ratings confirmation on the listed bond taken out by the project and have review meetings on an annual basis with management.

Interactions for the appointment of the company's auditors, lawyers etc. are dealt with at Board level and reviewed at quarterly Board meetings.

The Board recognises its responsibility for promoting the long-term success of the company for the benefit of its members as a whole through the achievement of milestones under the PFI concessions.

This report was approved by the board on 30-Jun-2022 | 11:45 AM BST and signed on its behalf.

DocuSigned by:



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D Vermeer

Director

ULIVING@ESSEX ISSUERCO PLC

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present their report and the financial statements for the year ended 31 December 2021.

Results and dividends

The profits for the year, after taxation, amounted to £Nil (2020 - £Nil).

There were no dividends declared or paid (2020 - £Nil).

Directors

The Directors who served during the year were:

M Fowkes
R Gillespie (resigned 1 February 2022)
D Vermeer

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 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.

The directors are aware that the ability to settle the Company's liabilities are directly linked to the revenue of ULiving@Essex Limited, a fellow subsidiary, and its ability to repay the loan provided by the Company.

There has been no effect on the revenue of ULiving@Essex Limited during the current year as a result of Covid-19. Nominations for the next academic year will ensure that the Company's financial liabilities in respect of external debt service costs and suppliers will be met. This assumption is based on contracts in place with the university, national trends and the marketability of the accommodation driving such revenue.

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

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.

ULIVING@ESSEX ISSUERCO PLC

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Matters covered in the Strategic Report

The Company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 to set out matters in the Strategic Report as required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, including all risk management policies.

Disclosure of information to auditors

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

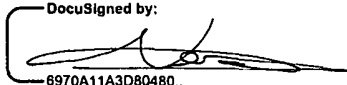
- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors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

Auditors

The auditors, UHY Hacker Young LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 30-Jun-2022 | 11:45 AM BST and signed on its behalf.

DocuSigned by:



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D Vermeer
Director

ULIVING@ESSEX ISSUERCO PLC

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

ULIVING@ESSEX ISSUERCO PLC

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

Opinion

We have audited the of uLiving@Essex IssuerCo PLC (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted the audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the section of the report. We are independent of the Company in accordance, with the ethical requirements that are relevant to audit of the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled 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 opinion.

ULIVING@ESSEX ISSUERCO PLC

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

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 Director's assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

Evaluation of management assessment

The Company's forecasts to 30 June 2023 ('the going concern period') have been approved by the Board. These are prepared based on certain key assumptions, which have been reviewed for reasonableness. We evaluated the Director's going concern assessment and performed the following procedures:

- We assessed the appropriateness of the cash flow forecasts in the context of the Company's 2021 financial performance.
- We evaluated the key assumptions in the forecast, which were consistent with our knowledge of the business and considered whether these were supported by the evidence we obtained.
- We compared the prior year forecast against current year actual performance to assess management's ability to forecast accurately.
- We also reviewed the disclosures relating to going concern basis of preparation and found that these provided an explanation of the Director's assessment that was consistent with the evidence we obtained.

Key observations

The forecast shows that the Company has at all times available cash and liquidity to meet its liabilities as they fall due.

Based on the audit procedures performed, taking into consideration the occupancy risk by reviewing the occupancy nominations for 2021/22 and 2022/23, we concluded that the Company has appropriately adopted the going concern basis of preparation. Further we did not identify any material disclosures that should be included regarding any material uncertainty in respect of the going concern basis of preparation.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit

As part of our audit, we determined materiality and assessed the risks of material misstatements in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of the structure of the Company, their activities, the accounting processes and controls, and the industry in which they operate. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement.

The audit team communicated regularly throughout the audit with management in order to ensure we had a good knowledge of the business of the Company. During the audit, we reassessed and re-evaluated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and the management of specific risk.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during the audit.

Our application of materiality

The scope and focus of our audit was influenced by our assessment and application of materiality. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements.

We define financial statement materiality as the magnitude by which misstatements, including omissions, could reasonably be expected to influence the economic decisions taken on the basis of the financial statements by reasonable users.

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 £955,000 (2020: £952,000). This was determined with reference to a benchmark of company's total assets (of which it represents 1 percent) which we consider to be one of the principal considerations for the users of these financial statements of this asset based company.

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 £716,000 (2020: £714,000) being 75% (2020: 75%) of the respective materiality level, having considered a number of factors including the expected total value of known and likely misstatements 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 £47,700 (2020: £47,600).

We set a lower materiality for particular classes of transactions, balances or disclosures such as related party transactions, for which misstatements of lesser amounts than materiality for the financial statements as whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds. We also reported to the Board any disclosure matters that we identified when assessing the overall presentation of the financial statements.

ULIVING@ESSEX ISSUERCO PLC

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

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.

1) Revenue recognition

Key audit matter;

There is a risk that revenue may be misstated due to the improper recognition of revenue. Revenue for the company, as a finance company, represents interest receivable under loan agreements.

Interest is recognised using the effective interest method and UK GAAP requires that a market rate of interest is used. We therefore considered revenue 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 agreed the company's loan agreements in place with fellow group companies in relation to funds advanced and developed an expectation of the interest receivable by reference to the loan agreement terms to prove the balance in total.
- We assessed if the interest rate applied to the loans equates to a market rate.
- We evaluated whether the revenue recognition policies adopted by the company complied with UK GAAP.

The company's accounting policy on revenue recognition is shown in note 2.3 to the financial statements and related disclosures are included in note 6.

Key observation

Our testing did not identify any material misstatement in the recognition of revenue.

2) Recovery of intercompany debt

Key audit matter;

The Company issued a £98.2m listed bond to facilitate the PFI contract undertaken by Uliving@Essex Limited, a fellow group company. The debt funding has been moved to Uliving@Essex Limited by way of an intercompany loan which will need to be assessed for recoverability by reference to the project returns. If the project returns of Uliving@Essex Limited cannot meet the debt requirements the intercompany debtor may need to be impaired.

Management's assessment for recoverability of the intercompany debt involves significant judgements and assumptions, such as timing, extent and probability of future cash flow. We therefore identified the recoverability of intercompany debt as an area of significant audit risk.

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 Uliving@Essex Limited's records.
- We reviewed the financial position of Uliving@Essex Limited to support management's assessment of recovery of the intercompany loan. As recovery is dependent of future operating activities of Uliving@Essex

ULIVING@ESSEX ISSUERCO PLC

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

Limited, model forecasts were reviewed to determine if Uliving@Essex Limited can meet its obligations to the company in respect of the repayment of the intercompany loan.

- We reviewed the model forecasts to assess the appropriateness of the methodology and assumptions applied by management in their assessment of the recoverable amount of intragroup loans.
- We obtained the cash flow forecasts and operating model for the group to determine the project returns over the project life. These were assessed against the intercompany investment and debtor balances within the group taking into account any potential impact of Covid-19, to consider if these balances require impairment.

The company's accounting policy on intercompany loans is shown in note 2.4 to the financial statements and related disclosures are included in note 9.

Key observation

Our testing identified the loan to be recoverable and no material adjustments were required to impair the loan.

Other information

The other information comprises the information included in the Annual Report 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 our 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 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 this gives rise to 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

ULIVING@ESSEX ISSUERCO PLC

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for 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 audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the Directors are responsible for the preparation of the 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 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.

ULIVING@ESSEX ISSUERCO PLC

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the PFI industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the company which were contrary to applicable laws and regulations including Irish Stock Exchange listing rules, and corruption and fraud and we considered the extent to which non-compliance might have a material effect on the financial Statements.

We also considered those laws and regulations that have a direct impact on the preparation of the financial Statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the Financial Statements (including the risk of override of controls), and determined that the principal risks were related to the valuation of the bond.

Audit procedures performed included:

- Enquires were made of management relating to compliance of the laws and regulations to the company. These were discussed with the audit team at the planning meeting and audit tests were designed and carried out to ensure compliance with these laws and regulations
- We made enquiries of management to obtain an understanding of the entity's policies and procedures on fraud risks including knowledge of any actual, suspected, or alleged fraud. Potential opportunities for fraud were also discussed during the audit team planning meeting so that they could apply professional scepticism when conducting their work
- We carried out a review of the financial statement disclosures to underlying supporting documentation, including a review to ensure the appropriateness of the accounting policy applied to the classification of the bond.
- We reviewed any correspondence with legal advisors and bond providers to ensure compliance with bonds and no breaches were noted.
- Enquiries of management were made in so far as they related to the financial statements, we reviewed journals and assessed and challenged accounting estimates and judgements made by management to evaluate whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, 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.

ULIVING@ESSEX ISSUERCO PLC

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

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. This description forms part of our Auditors' Report.

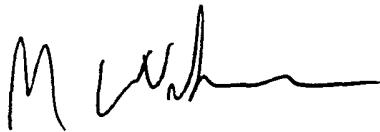
Other matters which we are required to address

We were appointed by the Board of Directors to audit the financial statements for the year ending 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement is 3 years, covering the year ended 31 December 2019 to 31 December 2021.

Our audit opinion is consistent with the additional report to the board.

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 auditors' 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.



Marc Waterman (Senior Statutory Auditor)

for and on behalf of
UHY Hacker Young LLP
Chartered Accountant and Statutory Auditor

Quadrant House
4 Thomas More Square
London
E1W 1YW
Date: 30 June 2022

ULIVING@ESSEX ISSUERCO PLC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
Interest Income	6	3,751	1,186
Gross profit		<u>3,751</u>	<u>1,186</u>
Interest payable and similar expenses	7	(3,751)	(1,186)
Result before tax		<u>-</u>	<u>-</u>
Tax on profit	8	-	-
Result for the financial year		<u>-</u>	<u>-</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>-</u></u>	<u><u>-</u></u>

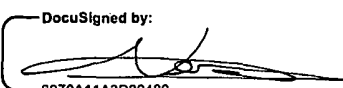
The notes on pages 19 to 27 form part of these financial statements.

ULIVING@ESSEX ISSUERCO PLC
REGISTERED NUMBER: 10546935

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Current assets			
Debtors: amounts falling due after more than one year	9	93,063	92,609
Debtors: amounts falling due within one year	9	2,524	2,208
		<u>95,587</u>	<u>94,817</u>
Creditors: amounts falling due within one year	10	(2,474)	(2,158)
Net current assets		<u>93,113</u>	<u>92,659</u>
Total assets less current liabilities		<u>93,113</u>	<u>92,659</u>
Creditors: amounts falling due after more than one year	11	(93,063)	(92,609)
Net assets		<u>50</u>	<u>50</u>
Capital and reserves			
Called up share capital	13	50	50
		<u>50</u>	<u>50</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30-Jun-2022 | 11:45 AM BST

DocuSigned by:

 6970A11A3DB0480...
D Vermeer
 Director

The notes on pages 19 to 27 form part of these financial statements.

ULIVING@ESSEX ISSUERCO PLC**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £000	Total equity £000
At 1 January 2021	50	50
Total comprehensive income for the year	-	-
At 31 December 2021	50	50

The notes on pages 19 to 27 form part of these financial statements.

ULIVING@ESSEX ISSUERCO PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £000	Total equity £000
At 1 January 2020	50	50
Total comprehensive income for the year	-	-
At 31 December 2020	50	50

The notes on pages 19 to 27 form part of these financial statements.

ULIVING@ESSEX ISSUERCO PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

ULiving@Essex Issuerco plc is a public company limited 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

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, including notification of and no objection to, the use of exemptions by the Company's shareholders. 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:

ULIVING@ESSEX ISSUERCO PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

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. The Directors have considered the global pandemic of Covid-19 in respect of going concern and they do not believe it to have a significant impact to the Company

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.

2.3 Revenue

This represents interest and bond indexation receivable from loans to the fellow subsidiary company 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 Financial instruments

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds only basic financial instruments, which comprise cash and cash equivalents, debtors and creditors. The Company has chosen to apply the measurement and recognition provisions of Section 11 Basic Financial Instruments and Section 12 Other Financial Instrument Issues.

Financial assets – classified as basic financial instruments

Debtors

Debtors are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Amounts that are receivable within one year are measured at the undiscounted amount expected to be receivable, net of any impairment.

Where a financial asset constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

At each reporting date, the Company assesses whether there is objective evidence that any financial asset may be impaired. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the financial assets. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows. The amount of the provision is recognised immediately in statement of comprehensive income.

ULIVING@ESSEX ISSUERCO PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.4 Financial instruments (continued)

Financial liabilities – classified as basic financial instruments

Creditors

Creditors are initially measured at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Amounts that are payable within one year are measured at the undiscounted amount expected to be payable.

Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

Bonds

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.

2.5 Interest costs

Interest costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.6 Interest income

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

2.7 Arrangement fees

Arrangement fees for the senior debt facilities have been capitalised against the cost of the bond.

2.8 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

ULIVING@ESSEX ISSUERCO PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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.

3.1 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 £13,500 (2020: £12,875) for the Group, is fully borne by ULiving@Essex Limited.

5. Employees

The Company had no employees during the period (2020: none). No Directors received any remuneration for their services to the Company (2020: £Nil).

6. Interest receivable and similar income

	2021	2020
	£000	£000
Interest receivable and similar income	3,751	1,186
	3,751	1,186

ULIVING@ESSEX ISSUERCO PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Interest payable and similar expenses

	2021	2020
	£000	£000
Bond interest payable	255	(350)
Bond indexation	3,107	1,149
Amortisation of finance costs	91	91
Guarantee fee	298	296
	3,751	1,186

8. Taxation

	2021	2020
	£000	£000
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

ULIVING@ESSEX ISSUERCO PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2020 - *the same as*) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	2021 £000	2020 £000
Effects of:		
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

ULIVING@ESSEX ISSUERCO PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Debtors

	2021	2020
	£000	£000
Due after more than one year		
Amounts owed by group undertakings	93,063	92,609
	93,063	92,609
Due within one year		
Amounts owed by group undertakings	2,524	2,208
	2,524	2,208

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 11.

In assessing the recoverability on intercompany debt the Directors have concluded that there is no impairment required (2020: Nil).

10. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Secured bonds	2,431	2,117
Unamortised debt issue costs	(91)	(91)
Accruals and deferred income	134	132
	2,474	2,158

ULIVING@ESSEX ISSUERCO PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

	2021	2020
	£000	£000
Secured bonds	82,979	87,128
Unamortised debt issue costs	(3,071)	(3,162)
Accumulated bond indexation	13,155	8,643
	93,063	92,609

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 2021 £98,565k (2020: £97,888k) of the bond facility is outstanding. 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").

	2021	2020
	£000	£000
Bonds are repayable as follows		
Within one year	2,431	2,117
Between one and two years	2,798	2,635
Between two and five years	8,464	8,224
More than five years	84,872	84,911
Less unamortised finance costs	(3,162)	(3,252)
	95,403	94,635

12. Financial instruments

Financial assets measured at amortised cost comprise group debtors.

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

13. Share capital

	2021	2020
	£000	£000
Allotted, called up and fully paid		
50,000 (2020 - 50,000) Ordinary shares of £1 each	50	50

ULIVING@ESSEX ISSUERCO PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. 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 3rd Floor (South), 200 Aldersgate Street, London, EC1A 4HD.