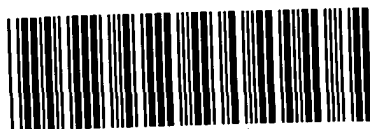


**ULIVING@ESSEX ISSUERCO PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2022**

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COMPANIES HOUSE

**ULIVING@ESSEX ISSUERCO PLC**

**COMPANY INFORMATION**

<b>Directors</b>	Mark Fowkes Robert Gillespie (resigned 1 February 2022) Daniel Vermeer (resigned 14 November 2022) Paul Gill (appointed 14 November 2022)
<b>Company Secretary</b>	Saeed Mian
<b>Registered number</b>	10546935
<b>Registered office</b>	3rd Floor South Building 200 Aldersgate Street London EC1A 4HD
<b>Independent auditors</b>	UHY Hacker Young LLP Quadrant House 4 Thomas More Square London E1W 1YW

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**ULIVING@ESSEX ISSUERCO PLC**

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**STRATEGIC REPORT  
FOR THE PERIOD ENDED 31 AUGUST 2022**

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**Introduction**

The Directors present their annual Strategic Report for ULiving@Essex IssuerCo PLC for the period ended 31 August 2022.

**Principal activities**

The principal activity of the Company is the provision of finance through the listing of bonds on the Euronext Dublin, 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 profit of £35k for the period (2021: £Nil). This is in 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. The £35k is made up of interest on the £50k equity loan made to the Project Company.

**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 £2,611k in the year (2021: £3,751k) matched the interest payable of £2,611k (2021: £3,751k) and the Company has a net asset balance of £85k (2021: £50k).

**Shortened accounting period**

The Company has shortened its accounting period to the period ending 31 August 2022 in line with FRS 102 principles. The period was shortened in order to bring the year end in line with the financial model which is based on the bond reporting and repayment periods of February and August. This reduces the burden of prorating the financials and brings the financial statements in line with the bond schedule.

**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.

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**STRATEGIC REPORT (CONTINUED) FOR  
THE PERIOD ENDED 31 AUGUST 2022**

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**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 Euronext Dublin. 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.

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.

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**STRATEGIC REPORT (CONTINUED) FOR  
THE PERIOD ENDED 31 AUGUST 2022**

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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 31 August 2023 and signed on its behalf.



**Mark Fowkes**  
Director

**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 AUGUST  
2022**

The Directors present their report and the financial statements for the period ended 31 August 2022.

**Results and dividends**

The profits for the period, after taxation, amounted to £35k (2021 - £Nil).

There were no dividends declared or paid (2021 - £Nil).

**Directors**

The Directors who served during the period were:

Mark Fowkes

Robert Gillespie (resigned 1 February 2022)

Daniel Vermeer (resigned 14 November 2022)

**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. Nominations of 90% (2021: 91.11%) for the 2023/24 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.

**Shortened accounting period**

The Company has shortened its accounting period to the period ending 31 August 2022 in line with FRS 102 principles. The period was shortened in order to bring the year end in line with the financial model which is based on the bond reporting and repayment periods of February and August. This reduces the burden of preparing the financials and brings the financial statements in line with the bond schedule.

**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.

**DIRECTORS' REPORT (CONTINUED) FOR  
THE PERIOD ENDED 31 AUGUST 2022**

**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.

**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 31 August 2023 and signed on its behalf.



Mark Fowkes  
Director



**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE PERIOD ENDED 31 AUGUST 2022**

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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS 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 August 2022, 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 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) and in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2022 and of its result for the period 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 the International Standards on Accounting (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of report. We are independent of the Company in accordance with the ethical requirements that are relevant to audit of the United Kingdom, including the FRC's Ethical Standard as applied to listed entities, 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.

**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 31 August 2024 ('the going concern period') have been approved by the Board. These are prepared based on certain key assumptions, which have been reviewed for reasonableness. The forecast shows that the Company has at all times available cash and liquidity to meet its liabilities as they fall due.

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 2022 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 period's 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.

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

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**Key observations**

Based on the audit procedures performed we concluded that the Company has appropriately adopted the going concern basis of preparation. Furthermore, 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.

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**

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.

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 £951,000 (2021: £955,000). This was determined with reference to a benchmark of company's total assets (of which it represents 1 per cent) which we consider to be one of the principal considerations for the users of these financial statements of this asset based company.

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

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 £713,250 (2021: £716,000) being 75% (2021: 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 set a lower materiality for particular classes of transactions, balances or disclosures such as related party transactions, for which misstatements of lessor 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 agreed with the Board that we would report to the Board all individual audit differences in excess of £47,550 (2021: £47,700). We also reported to the Board any disclosure matters that we identified when assessing the overall presentation of the financial statements.

#### **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,

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

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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 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 by comparing it to the groups accounting policies and relevant accounting standards.
- 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 indicators for impairment, 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.

**3) Classification and valuation of the bond and interest payable**

Key audit matter;

Financial instruments such as bonds, are required to be classified in accordance with UK GAAP as either a basic or other financial instrument dependant on the bond terms, thus we will need to assess the appropriateness of the classification and recognition of the bond.

Finance charges are accounted for on an accruals basis using the effective interest method. In this regard, there is a risk over the accuracy and completeness on interest receivable (in Issuerco) and payable (in Projectco).

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

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

- We reviewed the bond trust deed and management assumptions in the classification and recognition of the bond and did not identify any issues.
- We reviewed the estimations used to evaluate the EIR and recalculated the bond interest to ensure it is correctly included and disclosed in the financial statements assessed if the interest rate applied to the loans equates to a market rate

**Key observation**

Our testing did not identify any material misstatement in the classification and valuation of the bond and interest payable.

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

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**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 period for which the accounts are prepared is consistent with the financial statement; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In 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 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 financial statements and for being satisfied that they give a true and fair view, and for such internal controls 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 accounts, 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.

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

**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.

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 Euronext Dublin 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.

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 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 period ending 31 August

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**ULIVING@ESSEX ISSUERCO PLC**

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

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2022 and subsequent financial periods. The period of total uninterrupted engagement is 3 years and 8 months, covering the year ended 31 December 2019 to the period ended 31 August 2022.

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

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UHY Hacker Young LLP  
Chartered Accountant and Statutory Auditor  
Quadrant House  
4 Thomas More Square  
London  
E1W 1YW  
31 August 2023



**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 AUGUST 2022**

	Note	2022 £000	2021 £000
Interest Income	6	2,611	3,751
<b>Gross profit</b>		<b>2,611</b>	<b>3,751</b>
Interest receivable and similar income	7	35	-
Interest payable and similar expenses	8	(2,611)	(3,751)
<b>Profit before tax</b>		<b>35</b>	<b>-</b>
Tax on profit	9	-	-
<b>Profit for the financial year</b>		<b>35</b>	<b>-</b>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<b>35</b>	<b>-</b>

The notes on pages 18 to 25 form part of these financial statements.

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2022**

		31 August 2022 £000	31 December 2021 £000
	Note		
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	10	94,856	93,063
Debtors: amounts falling due within one year	10	276	2,524
		<u>95,132</u>	<u>95,587</u>
Creditors: amounts falling due within one year	11	(276)	(2,474)
<b>Net current assets</b>		<u>94,856</u>	<u>93,113</u>
<b>Total assets less current liabilities</b>		<u>94,856</u>	<u>93,113</u>
Creditors: amounts falling due after more than one year	12	(94,771)	(93,063)
<b>Net assets</b>		<u><u>85</u></u>	<u><u>50</u></u>
<b>Capital and reserves</b>			
Called up share capital	13	50	50
Profit and loss account		35	-
		<u><u>85</u></u>	<u><u>50</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 August 2023.



**Mark Fowkes**  
Director

The notes on pages 18 to 25 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 AUGUST 2022**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2022	50	-	50
<b>Comprehensive income for the period</b>			
Profit for the period	-	35	35
<b>Total comprehensive income for the period</b>	-	-	-
<b>Total comprehensive income for the period</b>	-	35	35
<b>Total transactions with owners</b>	-	-	-
<b>At 31 August 2022</b>	<b>50</b>	<b>35</b>	<b>85</b>

The notes on pages 18 to 25 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	<b>Called up share capital</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>
At 1 January 2021	50	50
<b>Other comprehensive income for the year</b>	-	-
<b>Total comprehensive income for the year</b>	-	-
<b>Total transactions with owners</b>	-	-
<b>At 31 December 2021</b>	<b>50</b>	<b>50</b>

The notes on pages 18 to 25 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2022**

**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:

**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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2022**

**2. Accounting policies (continued)**

**2.2 Going concern (continued)**

Nominations for the 2023/24 academic year have been set at 90% (2021: 91.11%). Therefore, 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.

**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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2022**

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**2. Accounting policies (continued)**

**2.4 Financial instruments (continued)**

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.

**Bond Indexation**

£98,200,000 0.1 per cent Guaranteed Secured Indexed Bonds due 2058 were issued on 24 February 2017 and listed on Euronext Dublin, guaranteed by Assured Guaranty (Europe) Ltd and Assured Guaranty Municipal Corp with ULiving@Essex IssuerCo PLC as Issuer and BNY Mellon Corporate Trustee Services Limited as Bond Trustee. Indexation on the bond is calculated semiannually at the end of February and August with the base RPI taken from that 6 months previous, and the current RPI figure of the RPI figure published in the third month prior to that calculation month.

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 receivable and payable**

Interest receivable and payable is recognised in the Statement of Comprehensive Income in the period in which it arises, using the effective interest method.

**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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2022**

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**2. Accounting policies (continued)**

**2.9 Shortened accounting period**

The Company has shortened its accounting period to the period ending 31 August 2022 in line with FRS 102 principles. The period was shortened in order to bring the year end in line with the financial model which is based on the bond reporting and repayment periods of February and August. This reduces the burden of pro-rating the financials and brings the financial statements in line with the bond schedule.

**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 £15,000 (2021: £13,500) for the Group, is fully borne by ULiving@Essex Limited.

**5. Employees**

The Company had no employees during the period (2021: none). No Directors received any remuneration for their services to the Company (2021: £Nil).



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2022

6. Interest income

	2022 £000	2021 £000
Interest income	2,611	3,751
	<u>2,611</u>	<u>3,751</u>

7. Interest receivable and similar income

	2022 £000	2021 £000
Interest receivable from group companies	35	-
	<u>35</u>	<u>-</u>

8. Interest payable and similar expenses

	2022 £000	2021 £000
Bond interest payable	(908)	255
Bond indexation	3,256	3,107
Amortisation of finance costs	60	91
Guarantee fee	203	298
	<u>2,611</u>	<u>3,751</u>

9. Taxation

	2022 £000	2021 £000
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2022

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 18%). The differences are explained below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	35	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	7	-
Effects of:		
Group relief claimed	(7)	-
<b>Total tax charge for the year</b>		

Factors that may affect future tax charges

Changes to the future UK corporation tax rates were substantively enacted as part of the Finance Bill 2021 on 24 May 2021. It makes provision for the rate of corporation tax in the UK to increase from 1 April 2023 from 19% to 25% where a company has taxable profits exceeding £250,000. The company is expected to be taxed at 19%.

10. Debtors

	31 August 2022 £000	31 December 2021 £000
<b>Due after more than one year</b>		
Amounts owed by group undertakings	94,856	93,063
	<b>94,856</b>	<b>93,063</b>
<b>Due within one year</b>		
Amounts owed by group undertakings	276	2,524

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2022

10. Debtors (continued)

	276	2,524
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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 (2021: Nil).

11. Creditors: Amounts falling due within one year

	31 August 2022 £000	31 December 2021 £000
Secured bonds	287	2,431
Unamortised debt issue costs	(59)	(91)
Amounts owed to group undertakings	50	-
Accruals and deferred income	(2)	134
	<u>276</u>	<u>2,474</u>

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

	31 August 2022 £000	31 December 2021 £000
Secured bonds	85,039	82,979
Unamortised debt issue costs	(3,042)	(3,071)
Accumulated bond indexation	12,774	13,155
	<u>94,771</u>	<u>93,063</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2022**

**12. Creditors: Amounts falling due after more than one year (continued)**

**Secured Bonds**

£98,200,000 0.1 per cent Guaranteed Secured Indexed Bonds due 2058 were issued on 24 February 2017 and listed on Euronext Dublin. The proceeds were subsequently loaned to ULiving@Essex Limited, a fellow group company. As at 31 August 2022 £100,706k (2021: £98,565k) 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").

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Bonds are repayable as follows</b>		
Within one year	<b>228</b>	<b>2,431</b>
Between one and two years	<b>2,907</b>	<b>2,798</b>
Between two and five years	<b>8,594</b>	<b>8,464</b>
More than five years	<b>86,371</b>	<b>84,872</b>
Less unamortised finance costs	<b>(3,101)</b>	<b>(3,162)</b>
	<b>94,999</b>	<b>95,403</b>

**13. Share capital**

	<b>31 August</b>	<b>31</b>
	<b>2022</b>	<b>December</b>
	<b>£000</b>	<b>2021</b>
<b>Allotted, called up and fully paid</b>		
50,000 (2021 - 50,000) Ordinary shares of £1 each	<b>50</b>	<b>50</b>

**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.