INDEPENDENT AUDITOR'S REPORT

To the members of the Unite Group PLC

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of The Unite Group PLC (the 'Parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and Parent Company balance sheets;
- the consolidated and Parent Company statements of changes in equity;
- the consolidated and Parent Company statements of cash flows; and
- the related sections 1 to 9.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Parent Company for the year are disclosed in section 2.6 to the financial statements. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company.

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

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Going concern; • Investment property and development property valuation; and • Accounting for Joint Ventures. Within this report, key audit matters are identified as follows: Newly identified Increased level of risk Similar level of risk
Materiality	The materiality that we used for the Group financial statements was £32.5m which was determined on the basis of net assets. However, we use a lower materiality threshold of £4.6m for balances which impact EPRA earnings.
Scoping	Our Group audit scope comprises the audit of The Unite Group PLC as well as Group's joint ventures: The Unite UK Student Accommodation Fund ('USAF') and The London Student Accommodation Vehicle ('LSAV'). All audit work was completed by the group audit team.
Significant changes in our approach	We no longer consider Liberty Living plc ('Liberty Living') to be a separate component following the completion of its full integration into the Group's systems, process and controls; we have not therefore audited Liberty Living as a separate component. Changes to our key audit matters are set in section 5 below.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting is discussed in section 5.1.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of the Unite Group PLC

5. Key audit matters

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

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Group has a number of borrowing facilities which contain covenants that require the Group to maintain specific financial ratios. As a result of Covid-19 the outlook remains uncertain, and there are a range of potential outcomes which are wide-ranging and unknown and therefore judgements about future potential financial impacts are inherently uncertain. On this basis, in the year we have identified going concern as a new key audit matter.

In the prior year our report included key matters relating to REIT compliance and acquisition accounting in respect of Liberty Living. REIT compliance is no longer identified as a key audit matter as we have not historically identified any issues with the Group's compliance with the REIT regime and it has now been a number years following the Group's conversion to a REIT. The acquisition accounting of Liberty Living was specific to the prior year.

5.1. Going concern

Key audit matter description	In assessing whether the financial statements should be prepared on the going concern basis, the Directors are required to consider all available information about the future for a period of at least 12 months from the date of approval of the financial statements. In conducting their assessment, the Directors have concluded that there are no material uncertainties which may cast significant doubt over the Group's or Parent Company's ability to continue as a going concern over this 12 month period. At 31 December 2020 the Group had c.£1,689m of borrowings drawn down across different facilities, as well as available undrawn facilities of £50.0m and a further overdraft facility of £10.0m available. There is liquidity headroom within the Group's forecast across the period of assessment for going concern. The borrowing facilities contain covenants that require the Group to maintain specific financial ratios and the focus of our work has been on forecast covenant compliance. In addition, at 31 December 2020 the Group held net cash and cash equivalents of £338.3m. The impact of the Covid-19 pandemic is described on pages 10 to 12. The Group's properties have remained open and operational throughout the pandemic. However, following the introductions of local and national lockdowns most UK Universities during 2020 and also in early 2021 suspended face-to-face teaching; this has adversely impacted the occupation of the Group's properties. Furthermore, the Group released students from their tenancies in the summer term of 2020 and has offered students further tenancy concessions in early 2021. Together, these factors have adversely affected the trading performance of the Group. The Directors have updated their forecasts to take into account, to the extent possible given the current uncertain environment, the impact of Covid-19 on current and future trading performance, net debt and liquidity. As at the date of this report, the outlook as a result of Covid-19 remains uncertain, and there are a range of potential outcomes which are wide-ranging and unknown and therefore judgements about future potential financial impacts are inherently uncertain; as a result, this is an area where potential fraud could occur. In particular, there is significant judgement in the Directors' assessment of the length of time over which the impact on performance and cash inflows might be felt, particularly with regards to occupation of its properties. Occupation of its properties is affected by the actions of both the UK government and Universities which is outside of the Group's control. As outlined in their statement on going concern on pages 172 and 173, the Directors have considered different scenarios in assessing the impact of Covid-19 including a base case and a reasonable worse case. In addition, the Directors have modelled a reverse stress test to assess what would need to occur for the Group to breach its most sensitive financial covenant. This covenant is for the Interest Cover Ratio ('ICR') which should not be below a range of 1.5 to 2.0 depending on the borrowing facility. The assumptions in the reverse stress test model reduced income from the base case to such a level that the Directors determine that the probability of them occurring is remote. As set out on page 173 the Group is required to collect less than 10% of rents due or outstanding for the balance of the 2020/21 academic year to maintain covenant compliance. This is below of that modelled in the reasonable worse case scenario. Should the impact of the pandemic on trading conditions be more prolonged or severe than currently forecast by the Directors under its reasonable worse case, the Group would need to implement additional operational or financial measures. As a result of the current and potential future impact of Covid-19 on the Group and the uncertainties regarding covenant compliance forecasting, we identified a key audit matter related to going concern due to the significant judgement required to conclude that there is not a material uncertainty which may cast significant doubt over the Group's or Parent Company's ability to continue as a going concern. Further details of the judgements considered and the conclusions are included in Section 1 of the financial statements and as part of the Audit Committee disclosure of significant items on page 112.

How the scope of our audit responded to the key audit matter	We performed the following audit procedures which consider the impact of the uncertainty of the Covid-19 pandemic on the going concern assessment: • Obtained an understanding of the relevant controls over the going concern process; • Challenged the revenue assumptions, for the outturn of the 2020/21 academic year and the assumptions for the 2021/22 academic year, which included the following: – Assessed the Group's forward sales bookings for next academic year; – Assessed UCAS application data for the next academic year; – Agreed a sample of nomination contracts (NOMs) where a University is contracted to take an agreed number of beds in a property, for the current and next academic years to supporting documentation; – Assessed the contract enforceability of the NOMs agreements; – Assessed Universities' financial positions, including vouching any debtor positions; and – Held discussions with internal Deloitte Higher Education sector specialists to assess the reasonableness of the assumptions used against the Higher Education sector data. • Challenged the cost assumptions within the forecasts, including consideration of previous incurred costs and the effectiveness of any cost savings; • Challenged the reasonableness of the scenario analysis performed and reverse stress test with reference to the income and cost assumptions; • Determined the Group's liquidity and headroom positions with reference to borrowing facility agreements; • Tested the arithmetical accuracy of the models used to prepare the Group's forecast and related scenarios; • Assessed the reasonableness of key mitigations available; and • Assessed the sufficiency of the Group's disclosure concerning the going concern basis and uncertainties arising.
Key observations	We are satisfied that the directors' base case forecasts, reasonable worse case and reverse stress test scenarios indicate that the Group has sufficient financial resources over the going concern period and that they are not forecast to breach their key financial covenants over the period of assessment. We are satisfied that the Directors' conclusion that there are no material uncertainties over the Group and Parent Company's ability to continue as a going concern is appropriate. The associated disclosures set out on pages 172 and 173 are in accordance with the accounting standards and we consider them to be appropriate.

INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of the Unite Group PLC

5. Key audit matters continued

5.2. Investment property and development property valuation

Key audit matter description	The Group's principal assets are investment properties (2020: £3,716.5m; 2019: £3,517.3m) and investment properties under development (2020: £187.2; 2019: £411.8m). The Group also holds investments in its joint ventures, USAF and LSAV, with their principal assets also being investment properties. The investment properties are carried at fair value based on an appraisal by the Group's independent external valuers. Valuations are carried out at six-monthly intervals for the Group in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation – Professional Standards (the 'Red Book'), taking into account transactional evidence during the year. The valuation is underpinned by a number of estimates and assumptions as it requires the estimation of property yields, rental growth, occupancy and property management costs. Due to the impact of Covid-19 there is more uncertainty in these assumptions compared with the prior year. A small change in these assumptions could have a significant impact on the valuation of properties and there is an associated fraud risk due to the risk of management override of controls relating to the valuation process. With regards to the valuation of the USAF and LSAV properties, small changes could also have a significant impact on a key input to the calculation of a performance fee which could be recognised for the year ended 31 December 2020 if the hurdle rate is achieved as this is based on the net asset values of the funds. With regards to the investment properties under development, additional estimate is required to forecast discounted cash flows with a deduction for construction costs to complete. Refer to page 112 (Audit Committee Statement) and section 3.1: Wholly owned property assets and section 3.4 Investments in joint ventures. Significant accounting judgements and estimation uncertainty disclosures relating to Investment property and development property valuation are set out in Section 1.
How the scope of our audit responded to the key audit matter	We performed testing on the property valuations and assessed the estimates that had been made. This work included: • Obtained an understanding and tested the relevant controls over the investment property and development property valuation process; • Understood and challenged the assumptions used in relation to key drivers such as rental income and growth, occupancy, yields and property management costs with reference to the trends at the end of the year and the following year's budget. Our assessment as to the appropriateness of the assumptions included consideration of the impact of the Covid-19 pandemic upon forecast occupancy and rental income; • Challenged the accuracy, completeness and consistency of the information provided to the external valuers which included testing a sample of income and tenancy data back to Group held information; • Met with the Group's external valuers to understand the assumptions being taken and consistency of the estimates with prior year. We also assessed the competency and capability of the Group's valuers; • Involved our valuation specialists within our Deloitte Real Estate team to benchmark the assumptions used against market data, including relevant transactions; • Reconciled the external valuation reports to underlying financial records; • Assessed the appropriateness of the external valuers approach with respect to replacement cladding and the impact on valuations and Unite's valuation related disclosures; • Assessed the Group's development appraisal process through meeting with the development team and assessing the forecast cost to complete against budget and substantive testing of costs incurred to date. We challenged the appropriateness of cost to complete information and reconciled the valuation reports to underlying financial records; and • Assessed the sufficiency of the Group's valuation disclosures, including the related sensitivities.
Key observations	We are satisfied with the approach and methodology adopted in valuing the property portfolio and consider the investment property and development property valuations to be suitable for inclusion in the financial statements at 31 December 2020.

5.3. Accounting for Joint ventures

Key audit matter description	A significant proportion of the Group's assets is held within USAF and LSAV, jointly owned entities that are accounted for under the equity method as joint ventures (2020: £849.0m; 2019: £875.2m), on the basis that Unite does not control the entities. At 31 December 2020 Unite had a 22% (2019: 22%) ownership of USAF and 50.0% (2019: 50.0%) ownership of LSAV, and acts as manager of both joint venture vehicles. Due to the complexity of the contractual arrangements, and the Group's role as manager of the joint venture vehicles, the assessment of control involves judgements around a number of significant factors, particularly with regard to USAF. USAF is a multi-investor fund with an Advisory Committee and the Group's ownership stake is subject to change. In accordance with the requirements of IFRS 10 Consolidated Financial Statements, there is a need to assess control with regards to the ability to direct relevant activities, to have exposure to variable returns and the ability to use power to affect returns at each reporting period. Management have assessed (in line with the prior year) that the Group does not have control over USAF and LSAV, but has joint control. Consequently Management has accounted for the joint ventures under the equity method rather than consolidating them within the Group's financial statements. Refer to page 112 (Audit Committee Statement) and section 3.4: Investments in joint ventures. Significant accounting judgements disclosure relating to accounting for joint ventures are set out in Section 1.
How the scope of our audit responded to the key audit matter	Our audit procedures on this area focused on assessing the activities of the businesses, understanding the contractual agreements in place and identifying the methodology applied by Management in reaching their business decisions in order to consider the appropriateness of the classification of these arrangements as joint ventures in accordance with the requirements of IFRS. With regards to both USAF and LSAV, we have: • Obtained an understanding of the relevant controls over the accounting for joint ventures process; • Assessed the key activities and how they impact the returns to the Group from the funds and challenged Management's own consideration of these factors in their application of IFRS, including whether there was evidence of contradictory evidence; • Assessed the Group's monitoring of its role and the three key factors relating to control in accordance with the judgement required under IFRS 10. This included whether control had been exercised; and • Reviewed the fund agreement in the year to confirm that there have been no changes. Given the particular focus on USAF, we have: • Assessed the role of the USAF Advisory Committee and whether the Group has the sole power to direct the activities that are likely to most significantly affect the returns of USAF in the future, and therefore whether Unite does have control of USAF; and • Evaluated the impact of the percentage ownership on a regular basis.
Key observations	We are satisfied with Management's conclusion that there has been no changes to the structure and the role played by the Group as investor and asset / development manager or to the fund agreements in the year. We are satisfied with Management's conclusion that the Group does not have control of the Joint Ventures. Therefore, treatment as joint ventures is considered to be appropriate.

INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of the Unite Group PLC

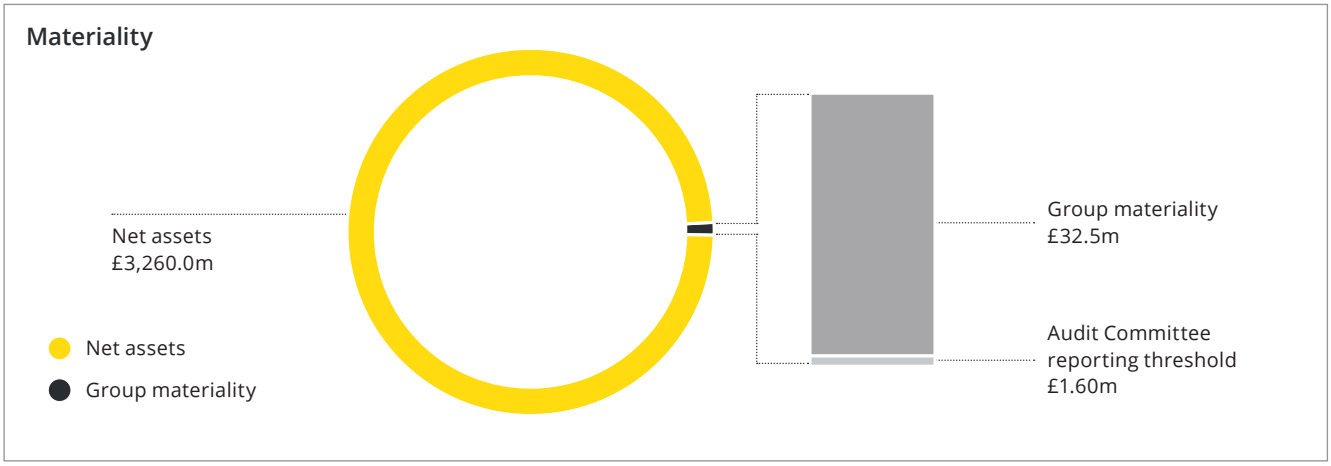
6. Our application of materiality

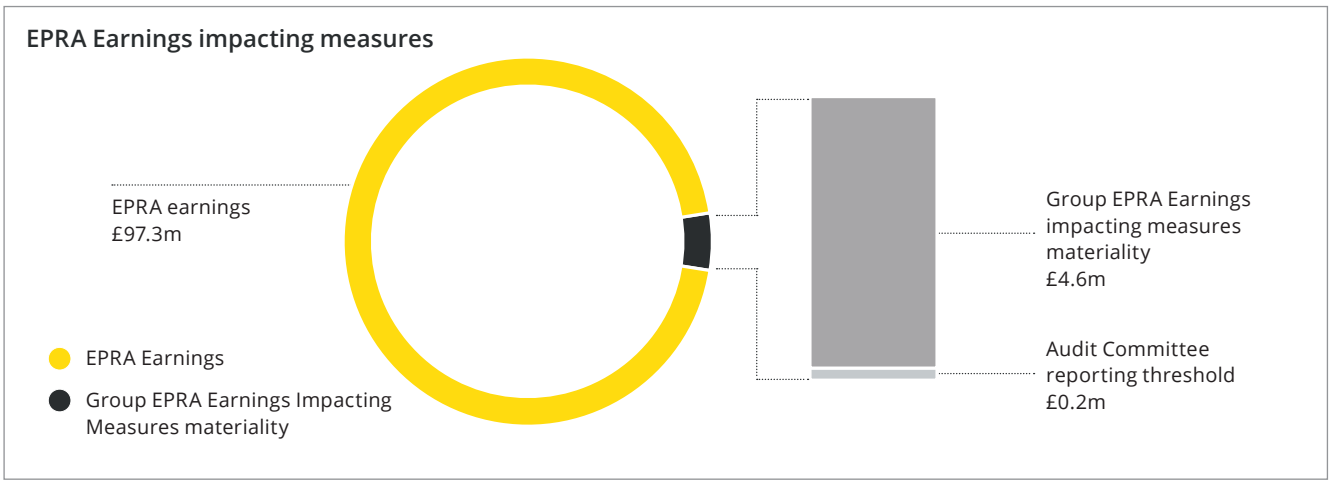
6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£32.5m (2019: £31.0m) EPRA Earnings impacting measures: £4.6m (2019: £5.5m)	£31.2m (2019: £29.5m)
Basis for determining materiality	Materiality: 1% (2019: 1%) of net assets EPRA Earnings impacting measures: 5% (2019: 5%) of EPRA Earnings	1% (2019: 1%) of Net Assets
Rationale for the benchmark applied	We determined materiality for the Group based on 1% of net assets as the balance sheet is considered to be a key driver of a property group. In addition to net assets, we consider the EPRA earnings measure to be a critical financial performance measure for the Group and we have applied a lower threshold based on 5% of EPRA earnings for testing of those items impacting EPRA earnings.	As the parent holding company the principal activity is to hold the investments in subsidiaries. Therefore, the net assets balance is considered to be the key driver of the company's performance and the most relevant benchmark for materiality.





6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

Group and Parent Company performance materiality was set at 70% (2019: 70%) of Group and Parent Company materiality. In determining performance materiality, we considered the following factors:

- our risk assessment, including our assessment of the Group's overall control environment, including the impact of Covid-19, and that we consider it appropriate to rely on controls over a number of business processes; and
- our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £1.6m (2019: £1.5m) and for EPRA impacting measures we would report differences in excess of £231,000 (2019: £275,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our group audit was scoped by obtaining an understanding of the Group and its environment, including group-wide controls, and assessing the risks of material misstatement at the group level.

The Group is audited by one audit team, led by the Senior Statutory Auditor. The audit has been performed remotely due to the impact of Covid-19 measures. We have continued to engage with staff at the Group's Bristol head office, as the books and records for each entity within the Group are maintained at this location. The Group only operates within the United Kingdom – this includes The Unite Group PLC and its related subsidiaries, as well as the two joint ventures, USAF and LSAV.

We audit all of the results of the Group together with USAF and LSAV, for the purposes of our group audit. We have also tested the consolidation process to confirm our conclusion that there were no significant risks of material misstatement

of the aggregated financial information.

7.2. Our consideration of the control environment

From our understanding of the relevant controls we took a controls reliance approach in the following business cycles:

- Investment property; and
- Revenue.

Reliance on general IT controls was taken for the Group, excluding the legacy Living Liberty systems which were retired in July 2020 following Liberty Living's full integration into Unite's systems.

The Group uses the following application systems for the recording and reporting of its financial statements:

- Oracle EBS – general ledger and room booking system;
- Portal Agent Desktop (PAD) – room booking portal used by students and implemented on top of Oracle EBS and therefore where revenue transactions are initiated; and
- HFM – used to prepare the Group consolidation at the Group's Head Office.

We involved IT specialists to assess the relevant controls over the three systems set out above. Working with IT specialists we identified and assessed relevant risks arising from each relevant IT system and the supporting infrastructure technologies based on the role of application in the Group's flow of transactions. We obtained an understanding of the IT environment as part of these risk assessment procedures. Relevant controls were identified and tested to address those IT risks and involving our IT specialists we performed the following procedures:

- Determined whether each general IT control, individually or in combination with other controls, was appropriately designed to address the risk;
- Obtained sufficient evidence to assess the operating effectiveness of the controls across the full audit period; and
- Performed additional procedures where required if there were exceptions to the operation of those controls.

INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of the Unite Group PLC

8. 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 our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

9. Responsibilities of Directors

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

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

10. Auditor's responsibilities for the audit of the financial statements

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

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

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

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

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of Management, internal audit, the Group's internal legal counsel and the Audit Committee about their own identification and assessment of the risks of irregularities;

- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team involving relevant internal specialists, including tax, valuations and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: going concern, owing to significant judgements within the forecast period of assessment; investment property and development property valuation owing to the risk of management override of controls relating to the valuation process; and revenue recognition owing to the risk of management override of controls relating specifically to the Covid-19 discounts and refunds offered to students which were processed outside of the Group's automated revenue system. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's compliance with health and safety matters, including fire safety and fire cladding.

11.2. Audit response to risks identified

As a result of performing the above, we identified going concern and investment property and development property valuation as key audit matters related to the potential risks of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- made enquiries of management, the Audit Committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- read minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC;
- in addressing the identified revenue fraud risk relating to the Covid-19 discounts and refunds offered to students: understood the relevant controls over the processing and approval of the discounts and refunds; reconciled the manual revenue adjustments to supporting schedules; and vouched a sample of refunds to tenancy agreement and cash refunds; and
- in addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of the Unite Group PLC

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 88;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 71;
- the directors' statement on fair, balanced and understandable set out on page 89;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 88;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 89; and
- the section describing the work of the Audit Committee set out on pages 109 to 114.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the Board 10 June 2015 to audit the financial statements for the year ending 31 December 2015 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 6 years, covering the years ended 31 December 2015 to 31 December 2020.

15.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

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

Stephen Craig (Senior statutory auditor)

For and Behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

16 March 2021