PRESS RELEASE

27 July 2021

THE UNITE GROUP PLC

("Unite Students", "Unite", the "Group", or the "Company")

HALF YEAR RESULTS FOR THE SIX MONTHS TO 30 JUNE 2021

Richard Smith, Chief Executive of Unite Students, commented:

"The business has once again shown its resilience in the first half and is now positioned for growth. Recognising the challenges faced by students, we have provided financial support during the pandemic totalling over £100 million.

"We are confident that record University applications for 2021/22 will translate into strong demand for our accommodation. Our recent sales performance has been strong, supported by the removal of restrictions on in-person teaching. While there remains some uncertainty over travel restrictions for international students, we have minimal exposure to students due to arrive from red list countries and have offered students arriving from amber list countries, including China, the opportunity to arrive at their accommodation up to three weeks early to self-isolate at no extra cost. Assuming no fundamental change to travel restrictions, we are well positioned and anticipate 95-98% occupancy and 2-3% rental growth in 2021/22.

"Despite the backdrop of Covid-19, and uncertainty created by the anticipated review of Higher Education funding, we remain confident in our ability to deliver significant earnings growth and attractive total returns over the medium to long term."

	H1 2021	H1 2020	FY2020	Change
EPRA earnings[1,2]	£88.3m	£74.8m	£97.3m	18%
EPRA earnings per share[1,2]	22.2p	20.5p	25.5p	8%
IFRS profit/(loss) before tax	£130.4m	£(73.9)m	£(120.1)m	n/m
IFRS basic EPS	32.7p	(20.4)p	(31.8)p	n/m
Dividend per share	6.5p	0.0p	12.75p	n/m
Total accounting return[1]	3.9%	(2.3)%	(3.4)%	
EBIT margin[1]	69.5%	71.7%	62.1%	
As at	**30 Jun 2021**	**30 Jun 2020**	**31 Dec 2020**	**Change from 31 Dec 2020**
EPRA NTA per share[1]	837p	828p	818p	2%
IFRS NAV per share	833p	822p	809p	3%
Net debt[3]	£1,501m	£1,688m	£1,742m	(14)%
Loan to value[3]	30%	33%	34%	

HIGHLIGHTS

Resilient financial performance

- EPRA earnings up 18% to £88.3 million (H1 2020: £74.8 million) and EPRA EPS up 8% to 22.2 pence (H1 2020: 20.5 pence) [2]
- EPRA profit includes £15.7 million (3.9 pence) from partial recognition of the LSAV performance fee
- 96% rent collection for the 2020/21 academic year[4]
- Guidance for EPRA EPS of 27-30 pence for FY2021 (2020: 25.5 pence), excluding the LSAV performance fee
- Interim dividend of 6.5p (H1 2020: nil), targeting at least 65% payout of EPRA EPS, excluding the LSAV performance fee for FY2021
- Profit before tax of £130.4 million (H1 2020: £73.9 million loss), driven by EPRA earnings and a valuation gain of £54.3 million in the period (H1 2020: £135.2 million loss)
- Total accounting return of 3.9% for H1 (H1 2020: (2.3)%)

Further support for students during the pandemic

- All properties remained open during the latest national lockdown
- 10-week rental discount of 50% and four-week tenancy extension

Strong demand for the 2021/22 academic year

- No restrictions on in-person teaching and learning in Universities from 16 August
- 4% growth in UCAS applications compared to 2020/21, driven by record 18-year old participation rate
- Reservations for 2021/22 academic year at 85% (2020/21: 82%, 2019/20: 91%)
- Demand underpinned by nominated beds and direct-let sales to re-bookers
- Targeting 95-98% occupancy for 2021/22 and rental growth of 2-3%
- Up to three weeks of free accommodation for students from amber list countries required to self-isolate

Value creation through high-quality portfolio and growing pipeline

- EPRA NTA of 837 pence, up 2% (31 December 2020: 818 pence)
- 1.5% increase in property values in H1 on a like-for-like basis
- Secured pipeline of £769 million and 5,048 beds, generating a 6.5% yield on cost
- Exchanged contracts for a new c.1,000 bed development site in Stratford in London, subject to planning

Active balance sheet management to position for growth

- LTV reduced through disposals to 30% at 30 June 2021[3] (31 December 2020: 34%), maintaining 35% target over the medium term
- Provides firepower for significant pipeline of new development and University partnership opportunities
- £261 million of disposals contracted in H1 (Unite share) at a blended yield of 4.9%
- LSAV joint venture extended by 10 years to September 2032

[1] The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). These financial highlights are based on the European Public Real Estate Association (EPRA) best practice recommendations and these performance measures are published as they are intended to help users in the comparability of these results across other listed real estate companies in Europe. The metrics are also used internally to measure and manage the business and to align to the performance related conditions for Directors' remuneration. See glossary for definitions
[2] Excludes integration and acquisition costs in relation to the acquisition of Liberty Living
[3] Excludes IFRS 16 related balances recognised in respect of leased properties. See glossary for definitions
[4] Excluding the impact of the 10-week rental discount in Q1 2021

PRESENTATION

There will be a presentation for analysts and investors this morning at 8:30 a.m. BST. A live webcast can be accessed via this link. To register for the event or to receive dial-in details, please contact unite@powerscourt-group.com.

For further information, please contact:

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CHIEF EXECUTIVE'S REVIEW

During the first half, we once again demonstrated the quality and resilience of our operating platform. All of our properties remained open for students during the latest national lockdown, as they did throughout 2020, thanks to the commitment of our employees. Our focus during the pandemic has been on doing the right thing for all our stakeholders. To that end, we provided further rental discounts in the first half to those students unable to use their accommodation to reflect the challenges they have faced over the past year.

Our results in the first half reflect the ongoing disruption caused by Covid-19. EPRA earnings for the six months increased by 18% to £88.3 million (H1 2020: £74.8 million), which includes the recognition of a further £15.7 million in performance fee from our LSAV joint venture. This translates to 8% growth in EPRA EPS to 22.2 pence (H1 2020: 20.5 pence) based on an increased share count following our £300 million placing in June 2020.

We are announcing an interim dividend of 6.5p (H1 2020: nil), which reflects both the resilience of our earnings and a positive outlook for reservations for the 2021/22 academic year. We will distribute at least 65% of EPRA EPS excluding the LSAV performance fee as dividends for 2021, increasing to 80% as market conditions stabilise, which meets our REIT obligations.

EPRA NTA per share increased by 2% to 837 pence (31 December 2020: 818 pence) which, including the final dividend paid in the period, results in a total accounting return of 3.9% in the first six months of the year (H1 2020: (2.3)%). The Group recorded an IFRS profit before tax of £130.4 million (H1 2020: £73.9 million loss), driven by EPRA earnings and a valuation gain on the back of our sales performance for 2021/22.

Our key financial performance indicators are set out below:

Financial highlights	H1 2021	H1 2020	FY2020
EPRA earnings	£88.3m	£74.8m	£97.3m
EPRA EPS	22.2p	20.5p	25.5p
Dividend per share	6.5p	0.0p	12.75p
Total accounting return	3.9%	(2.3)%	(3.4)%
IFRS profit/(loss) before tax	£130.4m	£(73.9)m	£(120.1)m
IFRS Basic EPS	32.7p	(20.4)p	(31.8)p
EPRA NTA per share	837p	828p	818p
See-through LTV ratio	30%	33%	34%

Encouraging progress for 2021/22

We have growing visibility over income as we approach the start of the 2021/22 academic year. Reservations are currently at 85% (2020/21: 82%, 2019/20: 91%), of which 80% are underpinned by nomination agreements with Universities and direct-let reservations with UK students. Current sales momentum is strong, with weekly sales running 30% ahead of 2019/20 levels in recent weeks. As a result, we remain confident that a record level of student applications will translate into strong demand for our accommodation, particularly following further easing of Covid-19 restrictions in the UK during July.

We are targeting 95-98% occupancy for 2021/22 (2020/21: 88%, 2019/20: 98%), which we expect to result in rental growth of 2-3%. This assumes University campuses remain open, offering in-person teaching to most students, and a supportive travel environment for international students.

Breakdown of reservations for 2021/22

Type	Beds	% of portfolio
Nomination agreements	37,200	51%
UK direct let	12,400	17%
International direct let	12,100	17%
Total	**61,700**	**85%**

We are seeing healthy levels of demand from both UK and international students, reflecting increased confidence as lockdown restrictions have eased. We are particularly pleased with the progress made in attracting UK customers who might otherwise rent in the private sector. UK customers account for 51% of our direct-let bookings to date, around a 10 percentage point increase compared to 2020/21, underpinned by a high proportion of sales to re-bookers. This follows the successful launch of our group-booking tool and new domestic marketing campaign. We believe this also reflects a permanent shift in demand away from the private rented sector and towards purpose-built student accommodation (PBSA), driven by growing recognition by students and parents of the value of a trusted, institutional landlord following the significant support and flexibility we have offered during Covid-19.

We continue to closely monitor travel restrictions faced by international students and have the ability to quickly adapt our marketing focus to respond to changes in market conditions. Around 35% of our international bookings come from returning students who are already living in the UK. For those international students outside of the UK, the vast majority of our bookings come from amber list countries, who are required to self-isolate in their accommodation for up to 10 days on arrival. We have offered students arriving from amber list countries the option to self-isolate in our accommodation at no cost, by bringing forward their tenancy start date by up to three weeks.

International bookings from red list countries, who are required to stay in a managed quarantine hotel on arrival, currently account for less than 2% of our reservations for the 2021/22 academic year. While around 25-30% of our income is derived from international direct-let customers, our income risk is lower given the number of those students already in the UK. This aligns with our experience during the 2020/21 academic year where we have recognised around 80% of contracted income from international direct-let students.

We are anticipating a higher than usual volume of sales activity during Clearing, which follows UK exam results on 10 August. This will principally cater to direct-let students seeking accommodation, but there is also the opportunity to lease additional beds to Universities under nomination agreements once they have greater clarity on their student numbers for the 2021/22 academic year.

Breakdown of reservations for 2021/22 by domicile and year of study

	Nominations*	Direct let				
		UK	China	EU	Other Intl.	Total
First year	n/a	9%	2%	1%	1%	n/a
Returning students	n/a	10%	3%	2%	2%	n/a
Postgraduate	n/a	1%	8%	0%	1%	n/a
% of reservations	**60%**	**20%**	**13%**	**3%**	**4%**	**100%**
% of portfolio	**51%**	**17%**	**11%**	**2%**	**4%**	**85%**

* *All years and domiciles*

Continued support for students

Since the outbreak of Covid-19, we have strived to play our part and do the right thing for our students in a fair and proportionate way. In response to the national lockdown announced in January, students not living in their accommodation were able to apply for a 10-week rental discount and four-week complimentary tenancy extension. This covered the period up to the end of the Government's stay at home guidance on 29 March. Take up of the rental discount was around 45% for eligible students, reflecting the high number who returned to our buildings during the first half. This resulted in a £10 million reduction in rental income on a Unite share basis, equivalent to 2.5 pence per share for the 2021 financial year.

This means we have now provided over £100 million in financial support to students during the Covd-19 pandemic through a combination of rent waivers in summer 2020 and flexibility offered to students in the 2020/21 academic year. We believe this is the largest package of financial support offered by any student accommodation provider and reflects our leading position in the sector.

Record student demand

We are anticipating record student numbers for the 2021/22 academic year, with UCAS data showing a 4% increase in the number of applicants as at the 30 June deadline compared to 2020/21. A record 43% of UK 18-year-olds have applied to University this year, reflecting growing awareness of the opportunities and life experience it provides. Applications from non-EU students are up 14%, including notable growth from China and India, which has helped to substantially offset the expected decline in EU applications (-43%) as a result of Brexit and Covid-19 travel restrictions.

All Higher Education students were allowed to return to in-person teaching from mid-May and the Government has recently confirmed that there will be no restrictions on in-person teaching and learning in Universities from 16

August. A recent student survey by HEPI underlined that in-person teaching remains fundamental to student experience and their perception of value from their course. Universities will continue with blended learning in the Autumn term, albeit with a greater emphasis on in-person teaching in smaller groups, tutorials and practical settings.

There remains a risk that student numbers and demand for student accommodation could be impacted by a further wave of Covid-19. In particular, there is uncertainty over international student numbers, given ongoing travel restrictions.

Government policy

The Government's final response to the Augar Report on post-18 education and funding is now expected later this year alongside the next Comprehensive Spending Review. The recent Skills for Jobs White Paper underlines the Government's commitment to widen participation in post-18 education and strengthen the global standing of the UK Higher Education (HE) sector. Recent policy announcements from Government also suggest a greater emphasis on Further Education (FE) and technical qualifications, with these potentially being delivered through lower-ranked Universities.

We expect an increased focus on the quality of HE provision and research, leading to a further concentration of student numbers and funding in research-intensive and leading teaching-led Universities. Our University partners also recognise the benefits of collaboration with FE institutions to help deliver lifelong learning and respond to the regional needs of the economy and society. We are confident that our strategic alignment to higher and mid-tariff Universities, whose students account for 87% of our income, positions us to successfully navigate future changes to the Government's HE policy. In addition, we continue to actively manage our portfolio to increase our exposure to the strongest Universities through University partnerships as well as our investment and development activity.

Fire safety

Fire safety is a critical part of our health and safety strategy and how we operate as a responsible business. We are committed to going above and beyond minimum standards to provide a safe and secure environment for our students and employees. We were one of the first companies to take action to remove Aluminium Composite Materials (ACM) cladding from our buildings where needed and, in line with Government advice, have undertaken a thorough review of the use of High-Pressure Laminate (HPL) cladding on our properties.

Following additional assessments during the period, we have now identified 22 high-rise properties with HPL cladding within our portfolio. In line with our value of doing what's right, we will remove this cladding where it fails to meet regulations. All of our properties have been independently reviewed by fire safety experts and confirmed safe to operate and occupy.

The cost of replacing the HPL cladding is expected to be £96.4 million (Unite share: £45.2 million), which will be incurred over the next 12-36 months. We have fully provided for this spend in our period end balance sheet, having made a further £28.7 million provision during the period (Unite share: £15.6 million). We are seeking to mitigate the costs of cladding replacement through claims from contractors under build contracts, where appropriate, and are confident of recovering a proportion of our replacement costs.

Delivering our sustainability strategy

We launched our new sustainability strategy with our preliminary results in March 2021. It includes targets for net zero carbon operations and development by 2030, a commitment to providing opportunities for all our employees irrespective of their background, gender or ethnicity and a pledge to raise standards across the student housing sector.

Our recent student research revealed they are more concerned about climate change than any other issue in 2021 – including Covid-19. As the UK's largest student accommodation provider, we will do all we can to facilitate students' efforts to live sustainably and in an environmentally-friendly way.

We plan to publish our net zero carbon roadmap before the end of 2021, including science-based targets which are consistent with reductions in carbon emissions required to keep global temperature increases to 1.5°C compared to pre-industrial levels. Reflecting our net zero ambition and desire to create resource-efficient buildings, we are increasing our investments in energy and water efficiency measures during 2021. These measures, including LED lighting, heat controls and low-energy heating solutions, will help to reduce consumption in our buildings, cut carbon emissions and operating costs and deliver the improvements required in Energy Performance Certificate (EPC) ratings over the next decade.

Positioned for growth

During the first half, we agreed a 10-year extension to our LSAV joint venture with GIC, which had an original scheduled maturity in September 2022. Our successful partnership with GIC has delivered strong development returns and rental growth over the past decade and the transaction provides a strong endorsement of our sector-leading operating platform. As part of the extended relationship, Unite and GIC will explore opportunities to expand LSAV through potential acquisitions of third-party investment assets. Unite will receive a performance fee from LSAV in Q4 2021, for which a further £15.7 million (3.9 pence) was recognised in H1. Unite's remaining share of the performance fee is expected to be approximately £10 million (2.5 pence per share) to be recognised in H2.

We contracted £475 million of disposals in the first half (Unite share: £261 million) at a blended yield of 4.9%. We continue to make disposals of regional assets which increase our exposure to high and mid-ranked Universities where demand is strongest, while delivering operational efficiencies that contribute towards our target for an improvement in our EBIT margin to 74% by the end of 2023. In addition, we sold two lower-yielding rental properties in London into our LSAV joint venture in H1.

Following these disposals our LTV now stands at 30%, which provides significant firepower to deploy into new opportunities in our development pipeline and potential University partnerships. We are today announcing that we have exchanged contracts to acquire a new c.1,000 bed development site in Stratford in London on a subject to planning basis. The £160 million scheme is targeted for delivery in 2025/26 and will serve new campuses for UCL and University of the Arts London in the area. As a result, we have now secured development opportunities to deploy the full proceeds of our £300 million placing in 2020.

We are also making progress with a number of further opportunities for development and University partnerships in London and prime regional markets at attractive returns. This includes active discussions with a number of high quality Universities for new or expanded partnerships, which we are looking to progress over the next 12-18 months.

Outlook

We have growing visibility and confidence over our income for the 2021/22 academic year, reflecting record student demand and an enhanced campus experience this autumn. This underpins our guidance for occupancy of 95-98% and rental growth of 2-3% for 2021/22. There remains a higher risk than usual to occupancy due to uncertainty around international student arrivals, although we have minimal exposure to students currently in red list countries. We will continue to closely monitor the risks and are adapting our marketing strategies to optimise our income in the later stages of the sales cycle.

Looking beyond Covid-19, the outlook for the business remains strong. This reflects growing student numbers, our alignment to the strongest Universities and the capabilities of our best-in-class operating platform. In particular, we see opportunities for new developments and University partnerships, building on the strength of our enhanced reputation in the sector following our response to the pandemic.

Despite the backdrop of Covid-19 and the review of Higher Education funding, we remain well positioned for a rapid recovery in earnings and total returns and significant growth over the medium term, driven by sustainable rental growth of c.3% p.a., our substantial secured development pipeline and further opportunities to deploy capital at attractive returns.

PROPERTY REVIEW

Our property portfolio saw a 1.8% increase in valuations on a like-for-like basis during the half (Unite share: 1.5%). Approximately two-thirds of the increase was driven by the unwinding of Covid-19 rental deductions for the 2020/21 academic year, supported by the sales performance to date for 2021/22. In addition, the valuations reflect broadly stable yields and modest rental growth. There remains £55 million of Covid-19 adjustments in our valuations (Unite share: £37 million), which we would expect to unwind in H2 subject to achieving full occupancy for the 2021/22 academic year. Stronger rental growth in LSAV was predominantly driven by the capture of reversionary uplifts at two assets as nomination agreements approach expiry.

	30 Jun 2021 £m	Yield compression	Covid-19 adjustments	Rental growth / other	Like-for-like capital growth
Wholly owned	3,249	0.2%	0.8%	0.2%	1.2%
LSAV	1,702	0.5%	0.9%	1.8%	3.2%
USAF	2,796	0.1%	1.8%	0.0%	1.9%
Total (Gross)	**7,747**	**0.2%**	**1.2%**	**0.4%**	**1.8%**
Total (Unite share)	**4,716**				**1.5%**

Student accommodation yields

The purpose-built student accommodation sector has continued to deliver strong performance relative to the wider UK real estate sector during the first half. Strong sector fundamentals and a long-term track record of rental growth continue to attract significant volumes of capital to the sector.

The investment market for PBSA has recovered strongly in 2021 with £1.9 billion of assets transacted in the period, including £0.5 billion sold by the Group and £1.4 billion of third-party transactions (Source: CBRE). Investment volumes have been driven by further growth of larger operating platforms and an increase in activity from private equity.

We also expect a strong H2 for investment activity as demonstrated by the recent recommended offer for GCP Student Living from a consortium of iQ (backed by Blackstone) and APG Asset Management.

The average net initial yield across the portfolio is 5.0% (31 December 2020: 5.0%), broadly unchanged ((2) basis points) over the first six months of the year. At a city level, we have seen modest yield compression in London and stable yields in regional markets.

An indicative spread of direct-let yields by location is outlined below:

	30 Jun 2021	30 Jun 2020	31 Dec 2020
London	3.80-4.25%	3.90-4.25%	3.90-4.25%
Prime provincial	4.50-5.00%	4.50-5.15%	4.50-5.00%
Major provincial	5.00-6.00%	5.00-6.00%	5.00-6.00%
Provincial	6.25-7.50%	6.25-7.25%	6.25-7.50%

Development and University partnership activity

Development and University partnership activity continues to be a significant driver of future growth in earnings and NAV. Our pipeline of traditional development and University partnerships includes 5,048 beds with a total development cost of £769 million. We expect to maintain a run-rate of around £200 million p.a. of development capex, funded from the proceeds of our £300 million placing in June 2020, property disposals and internally generated sources.

The anticipated yield on cost of this secured pipeline is 6.5%. We have lower hurdle rates for developments that are supported by Universities or where another developer is undertaking the higher-risk activities of planning and construction. The new London Plan requires that new developments of student accommodation allocate a majority of beds to nomination agreements with Universities, meaning we expect most new London developments will be delivered as University partnerships. Given our long-term relationships with London Universities, this leaves us well placed to secure new development opportunities.

2022 completions

As part of our response to Covid-19, we took the decision to defer delivery of our schemes at Middlesex Street, London and Campbell House, Bristol into 2022. We restarted construction in Q1 2021 and are on track to deliver in time for the 2022/23 academic year. Campbell House is let to the University of Bristol under a 15-year nomination agreement and we are working towards a long-term nomination agreement at Middlesex Street with a high-tariff University.

2023-2025 pipeline

There remains widespread acknowledgement from local authorities of the need for new PBSA supply to address growing student numbers and relieve pressure on housing supply. Universities also remain willing to support our planning applications as a means of delivering the high-quality, affordable accommodation required to deliver their growth ambitions. However, we have experienced delays in the planning process as a result of the pandemic which have put pressure on delivery timelines for certain of the schemes in our pipeline.

During the period, we received planning consent for an enlarged 700-bed development at Derby Road, Nottingham due for completion for the 2023/24 academic year. We also recently submitted a planning application for our 833-bed scheme at Paddington in central London, which we now expect to deliver for the 2024/25 academic year.

We have recently exchanged contracts to acquire a c.1,000 bed development site in Stratford, east London on a subject to planning basis. Total development costs are estimated to be c.£160 million with the scheme targeted for delivery for the 2025/26 academic year, subject to planning approval. The development will be delivered as a University partnership, delivering a development yield in line with our targets in London and will help to serve the growing cluster of Universities with campuses in the area. Both UCL and University of the Arts London are developing new campuses in Stratford, which are due to bring a further 10,500 full-time students to the area from the 2022/23 academic year. The site adds to our two existing operational assets in Stratford, providing opportunities to segment our customer base, including a more tailored offer for postgraduates.

In addition, we continue to progress a number of development opportunities in London and prime regional markets at attractive returns.

Development costs

We are seeing some upward pressure on build costs, which typically account for 50-70% of our total development costs, reflective of supply chain pressures in securing materials as economies reopen and a reduced supply of EU labour post-Brexit. Build cost inflation is currently running at c.3-5% p.a. but we anticipate a softening over the next 6-12 months as supply chains begin to normalise. Development costs are already fixed for our 2022 completions through design and build contracts. We will be entering into build contracts on our 2023 schemes in the coming months and anticipate that current cost pressures could reduce development yields by c.10-20 basis points. Despite current cost pressures, we continue to see opportunities to add to our development pipeline at attractive returns and will factor this expected inflation into our appraisal of future schemes.

Secured development and University partnerships pipeline

	Target delivery	Secured beds No.	Total completed value £m	Total development costs £m	Capex in period £m	Capex remaining £m	Forecast NAV remaining £m	Forecast yield on cost %
Traditional development								
Derby Road, Nottingham	2023	700	80	58	0	56	22	8.0%
Abbey Lane, Edinburgh	2023	298	33	24	0	22	9	8.3%
Wyvil Road, London[1]	2024	270	100	80	0	62	21	6.2%
Total wholly owned		**1,268**	**213**	**162**	**0**	**140**	**52**	**7.7%**
University partnerships								
Middlesex Street, London	2022	920	285	187	28	57	49	6.0%
Campbell House, Bristol	2022	431	59	44	6	13	8	6.2%
Temple Quarter, Bristol[1]	2023	596	85	67	0	65	18	6.2%
Paddington, London[1]	2024	833	210	149	1	147	60	6.5%
Stratford, London[1]	2025	1,000	251	160	0	160	92	6.3%
Total University partnerships		**3,780**	**890**	**607**	**35**	**442**	**227**	**6.2%**
Total pipeline		**5,048**	**1,103**	**769**	**35**	**582**	**279**	**6.5%**

[1] *Subject to obtaining planning consent*

University partnerships pipeline

We continue to make progress with our strategy of delivering growth through strategic partnerships with Universities where student numbers are growing fastest. Reflecting the financial and operational constraints faced by Universities, there is a growing appetite for partnerships with leading operators. We see opportunities to capitalise on our brand and the goodwill created by our response to Covid-19 to accelerate and enhance our pipeline of University partnerships.

We intend to deliver our Paddington scheme in central London as a University partnership in line with requirements in the new London Plan for the majority of new beds to be leased to a HE provider. The development will help to meet the growing need for high-quality, purpose-built student accommodation in London and will incorporate a range of design features to reduce its embodied and operational carbon. We have secured planning support for the scheme from a high-tariff University partner and discussions are already underway with a view to agreeing a long-term nomination agreement.

In addition, we are in active discussions with four high-quality Universities for new partnerships covering around 10,000 existing and new beds, which we are looking to progress over the next 12-18 months. We also continue to make progress with a significant further pipeline of medium-term opportunities.

The nature of these discussions and the commitment required by both parties mean that some opportunities will fall away. However, there remains a compelling rationale for Universities to work with us to deliver operational efficiencies and provide the new accommodation required to deliver their future growth ambitions.

Asset management opportunities

In addition to our development activity, we see significant opportunities to create value through asset management projects in our estate. Our customer base is currently dominated by first year and international students but we see opportunities to segment our portfolio to better address the needs of returning and postgraduate students. These opportunities will be particularly focused on those cities where we have gained additional scale through our acquisition of Liberty Living. This activity will consider upgrades to the specification of our buildings and amenity spaces as well as incorporating investments to improve energy and carbon performance. It will also be supported by continued investment in our technology and data platform aimed at delivering an enhanced experience for students.

These asset management projects typically have shorter lead times than new developments (often carried out over the summer) and have the potential to deliver attractive risk-adjusted returns. We plan to provide further detail on these opportunities at our Capital Markets Day on 19 October.

Disposal activity

We continue to manage the quality of the portfolio and our balance sheet leverage by recycling capital through disposals and reinvesting into developments and acquisitions of assets aligned to the best Universities.

During the period, the Group contracted £261 million of disposals on a Unite share basis, in line with our guidance for £200-300 million of disposals in 2021. This included a £133 million (Unite share: £90 million) portfolio of eight assets in Coventry, Wolverhampton, Birmingham, Exeter and Manchester to Aventicum at a 6.5% yield and a 2% discount to book value. Completion occurred during the period for seven of the assets and we expect the disposal of the remaining property in Manchester to complete in Q4. In June, we completed the sale of two London assets in Whitechapel and Wembley to LSAV for £342 million (Unite share: £171 million) at a 4.0% yield and in line with book value.

As part of our ongoing portfolio optimisation, we intend to sell a further £150-200 million of assets per annum (Unite share) and will explore opportunities to accelerate our disposal plans into the supportive investment market. Our disposal plan underpins our ability to sustain rental growth over a longer time horizon, while also helping to manage our LTV and fund new growth opportunities.

FINANCIAL REVIEW

The Group continues to report on an IFRS basis and presents its performance in line with best practices as recommended by EPRA. The Operations and Property reviews focus on EPRA measures as these are our key internal measures and aid comparability across the real estate sector.

EPRA earnings

We delivered a resilient operating performance in H1 2021 despite significant and ongoing disruption from Covid-19. Rental income reduced by 1% to £152.9 million, down from £154.9 million in H1 2020, reflecting the impact of reduced occupancy and take up of our 10-week 50% rental discount in 2021 during the latest national lockdown. The prior year was also meaningfully impacted by income forgone through cancellations for the summer term of 2019/20 in response to Covid-19.

EPRA earnings increased by 18% to £88.3 million (H1 2020: £74.8 million), reflecting the recognition of a further £15.7 million of performance fee from LSAV. EPRA EPS increased by 8% to 22.2p, which also reflects the impact of the increased share count following the £300 million placing in June 2020. Excluding the LSAV performance fee, adjusted earnings reduced slightly to £72.6 million or 18.2p (H1 2020: £74.8 million or 20.5p) with lower net operating income partially offset through cost reductions.

Summary income statement	H1 2021 £m	H1 2020 £m	FY2020 £m
Rental income	152.9	154.9	263.2
Property operating expenses	(41.8)	(37.5)	(82.9)
Net operating income (NOI)	**111.1**	**117.4**	**180.3**
NOI margin	*72.7%*	*75.9%*	*68.5%*
Management fees	8.2	7.7	14.0
Operating expenses	(13.0)	(14.1)	(30.9)
Finance costs	(32.6)	(33.5)	(64.9)
Acquisition and net performance fees	15.7	-	5.7
Development and other costs	(1.1)	(2.7)	(6.9)
EPRA earnings	**88.3**	**74.8**	**97.3**
EPRA EPS	**22.2p**	**20.5p**	**25.5p**
EBIT margin	*69.5%*	*71.7%*	*62.1%*

A reconciliation of profit/(loss) after tax to EPRA earnings is set out in note 2.2b of the financial statements

We have now collected 96% of rent due for the 2020/21 academic year, excluding the impact of the 10-week rental discount offered to customers for the second term. There remains 3% of rent still to be billed for the 2020/21 academic year.

2020/21 cash collection[1]	FY2020	FY2021	Year to date
Payable by Universities	100%	95%	97%
Payable by students	98%	94%	95%
Total	**98%**	**94%**	**96%**

[1] *Excluding impact of 10-week rental discount in Q1*

The loss of income through lower occupancy and rental discounts reduced the Group's NOI margin to 72.7% for the six months (H1 2020: 75.9%) and the EBIT margin to 69.5% (H1 2020: 71.7%). Overheads reduced year-on-year, reflecting cost synergies from the successful integration of the Liberty Living acquisition as well as underlying cost control.

Finance costs reduced slightly to £32.6 million (H1 2020: £33.5 million) due to lower net debt following the £300 million placing in June 2020 and disposals in H1 2021. £2.1 million of interest costs were capitalised in the first half, a reduction from £3.3 million in H1 2020, due to the reduced level of development activity. The cost of debt remains broadly stable at 3.0% (31 December 2020: 3.1%), with the impact of repaying some of our lower cost bank facilities offset by lower prevailing interest rates.

IFRS earnings

The rise in EPRA earnings together with a revaluation gain and profit/(loss) on disposal of £40.0 million (H1 2020: £138.9 million loss) contributed to an IFRS profit before tax of £130.4 million in the first half (H1 2020: £73.9 million loss).

	H1 2021 £m	H1 2020 £m	FY2020 £m
EPRA earnings	88.3	74.8	97.3
Valuation gains/(losses) and profit/(loss) on disposal	40.0	(138.9)	(178.8)
Integration/acquisition costs	-	(8.1)	(9.2)
Changes in valuation of interest rate swaps and debt break costs	3.7	(3.4)	(35.9)
Minority interest and tax	(1.6)	1.7	6.5
Profit/(loss) before tax	**130.4**	**(73.9)**	**(120.1)**
EPRA earnings per share	22.2p	20.5p	25.5p
Basic earnings/(loss) per share	32.7p	(20.4)p	(31.8)p

A reconciliation of profit/(loss) before tax to EPRA earnings measures is expanded in section 7 of the financial statements.

EPRA NTA growth

EPRA net tangible assets (NTA) per share, our key measure of NAV, increased by 2% to 837 pence at 30 June 2021 (31 December 2020: 818 pence). EPRA net tangible assets were £3,352 million at 30 June 2021, up from £3,266 million six months earlier.

The main drivers of the £86 million increase in EPRA NTA and 19 pence increase in EPRA NTA per share were:

- Valuation growth reflecting sales progress for 2021/22, modest yield compression and partial unwind of the Covid-19 rental discount (£69 million, 17 pence)
- Part recognition of the LSAV performance fee (£16 million, 4 pence)
- Development surplus (£12 million, 3 pence)
- Disposals and associated property transaction costs (£(18) million, (5) pence)
- A provision for the replacement of High-Pressure Laminate (HPL) cladding (£(16) million, (4) pence)
- The positive impact of retained profits (£29 million, 5 pence)

Property portfolio

The valuation of our property portfolio at 30 June 2021, including our share of properties held in USAF and LSAV, was £5,052 million (31 December 2020: £5,182 million). The £130 million reduction in portfolio value reflects the valuation movements outlined above, £248 million of completed disposals and capital expenditure and interest capitalised on developments of £37 million.

Summary balance sheet

	30 Jun 2021			30 Jun 2020			31 Dec 2020		
	Wholly owned £m	Share of Fund/JV £m	Total £m	Wholly owned £m	Share of Fund/JV £m	Total £m	Wholly owned £m	Share of Fund/JV £m	Total £m
Rental properties	3,249	1,467	4,716	3,317	1,272	4,589	3,615	1,278	4,893
Rental properties (leased)	100	-	100	107	-	107	102	-	102
Properties under development	236	-	236	458	-	458	187	-	187
Total property	3,585	1,467	5,052	3,882	1,272	5,154	3,904	1,278	5,182
Net debt	(1,013)	(488)	(1,501)	(1,261)	(427)	(1,688)	(1,326)	(416)	(1,742)
Lease liability	(95)	-	95	(97)	-	(97)	(96)	-	(96)
Other assets/(liabilities)	(74)	(30)	(104)	(24)	(20)	(44)	(40)	(38)	(78)
EPRA net tangible assets	**2,403**	**949**	**3,352**	**2,500**	**825**	**3,325**	**2,442**	**824**	**3,266**

Cash flow and net debt

The Operations business generated £80.3 million of net cash in H1 2021 (H1 2020: £27.8 million) and net debt reduced to £1,501 million (31 December 2020: £1,742 million). The key components of the movement in net debt were the operational cash flow and net proceeds of £320 million from the sale of investment property, offset by total capital expenditure of £38 million and dividend payments of £35 million.

Debt financing and liquidity

As at 30 June 2021, the wholly owned Group had £847 million of cash and debt headroom (31 December 2020: £379 million), comprising of £497 million of drawn cash balances, and £350 million of undrawn debt (2020: £329 million and £50 million respectively). The Group maintains a disciplined approach to leverage, with see-through LTV of 30% at 30 June 2021 (31 December 2020: 34%).

During the period, the Group raised a new £150 million 10-year unsecured loan facility provided by Pricoa and a £140 million eight-year secured loan facility with Barings in LSAV to part finance the acquisition of two properties from Unite.

With greater focus on the earnings profile of the business, we are continuing to monitor our net debt to EBITDA ratio, which we target to return to 6-7x over the medium term.

The Unite Group plc has maintained investment grade corporate ratings of BBB from Standard & Poor's and Baa2 from Moody's, reflecting Unite's robust capital position, cash flows and track record.

Key debt statistics (Unite share basis)	30 Jun 2021	30 Jun 2020	31 Dec 2020
Net debt	£1,501m	£1,688m	£1,742m
LTV	30%	33%	34%
Net debt:EBITDA ratio[1]	10.0	7.3	10.1
Interest cover ratio[1]	2.4	3.3	2.5
Average debt maturity	4.6 years	4.6 years	4.2 years
Average cost of debt	3.0%	3.0%	3.1%
Proportion of investment debt at fixed rate	91%	77%	75%

[1] *Calculated on a 12-month look back basis*

Debt covenants

We continue to monitor our banking covenants, which vary between facilities but are principally based on LTV and ICR ratios. Given the interruption to income caused by Covid-19, our principal focus is on our ICR covenants, which vary between 1.5-2.0x depending on the facility.

We remain complaint with all ICR covenants across the Group and its funds and joint ventures. Headroom under our ICR covenants has increased materially now that the impact of tenancy cancellations in Q2 2020 has been removed from the 12-month historical ICR calculations. Given the positive outlook for the 2021/22 academic year, we are confident of maintaining covenant compliance across all debt facilities.

Interest rate hedging arrangements and cost of debt

91% of see-through investment debt is subject to a fixed or capped interest rate (31 December 2020: 75%) for an average term of 4.6 years (31 December 2020: 4.2 years).

We continue to proactively manage our debt maturity profile, diversify our lending base and look to lock into longer term debt at rates below our current average cost of debt. Borrowings for the combined Group are well diversified across lenders and maturities. During the period, we published our sustainable finance framework, aligned to our sustainability strategy, which enables future sustainable debt issuance and provides the opportunity to further diversify our sources of debt.

Dividend

We have declared an interim dividend payment of 6.5p per share (2020: nil). The interim dividend will be fully paid as a Property Income Distribution (PID) of 6.5p. The interim dividend will be paid on 29 October 2021 to shareholders on the register at close of business on 17 September 2021.

We will distribute at least 65% of EPRA EPS, excluding the LSAV performance fee as dividends for 2021 to meet our PID obligations under the REIT regime. We plan to increase our dividend payout ratio to 80% of EPRA EPS as market conditions stabilise. This level of payout enables the Company to retain capital to invest in growth opportunities, improvement of the operational portfolio and delivery of our sustainability strategy, including our 2030 target for net zero carbon.

For those shareholders electing to the Company’s scrip scheme, this interim dividend will be paid in new ordinary shares. The last date for receipt of scrip elections for this interim dividend is 8 October 2021. Details of the scrip scheme, terms and conditions and the process for election to the scrip scheme are available at the Company’s website.

Tax and REIT status

The Group holds REIT status and is exempt from tax on its property business. During the first half of 2021, we recognised a current tax credit of £1.7 million, relating primarily to a prior year adjustment (2020: charge of £0.4 million).

Funds and joint ventures

The table below summarises the key financials at 30 June 2021 for each vehicle.

	Property Assets £m	Net debt £m	Other assets £m	Net assets £m	Unite share of NTA £m	Maturity	Unite share
USAF	2,796	(816)	(74)	1,906	420	Infinite	22%
LSAV	1,702	(616)	(27)	1,059	530	2032	50%

Property valuations increased by 1.9% and 3.2% for USAF and LSAV respectively over the first half of the year on a like-for-like basis, principally reflecting the unwind of income deductions relating to the impact of Covid-19 disruption on 2020/21 income. Both USAF and LSAV resumed distribution payments to unitholders in the first half, having suspended payments in 2020.

During the period, Unite extended the LSAV joint venture with GIC for a further 10 years to 2032. Unite will be entitled to receive a performance fee from LSAV equivalent to 12.5% of returns in excess of 8% per annum in the period from 2021 to 2032. Unite will continue to act as property and asset manager for the duration of the new joint venture on existing terms and fee levels.

Fees

During the six months to June 2021, the Group recognised net fees of £23.9 million from its fund and asset management activities (H1 2020: £7.7 million). The increase was driven by recognition of a further £15.7 million for the LSAV performance fee in the period (H1 2020: nil) and underlying growth in property valuations and NAV over the past 12 months, partially offset by reductions in NOI from disruption relating to Covid-19.

Unite and GIC have agreed that the performance fee in respect of the London portion of LSAV will be paid in cash in Q4 2021, based on valuations and cash flows to 30 September 2021. Unite's remaining share of the performance fee is expected to be approximately £10 million (2.5 pence per share), to be recognised in H2.

	H1 2021 £m	H1 2020 £m	FY2020 £m
USAF asset management fee	6.5	6.0	10.7
LSAV asset and property management fee	1.7	1.7	3.3
Net performance fee	15.7	-	4.6
Total fees	**23.9**	**7.7**	**18.6**

Responsibility statement of the directors in respect of the interim report and accounts

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the United Kingdom and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required by DTR 4.2.4R

The interim management report includes a fair review of the information required by:

- DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
- DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Richard Smith	Joe Lister
Chief Executive Officer	Chief Financial Officer

Forward-looking statements

The preceding interim statement has been prepared for the shareholders of the Company, as a body, and for no other persons. Its purpose is to assist shareholders of the Company to assess the strategies adopted by the Company and the potential for those strategies to succeed and for no other purpose. The interim statement contains forward-looking statements that are subject to risk factors associated with, among other things, the economic, regulatory and business circumstances occurring from time to time in the sectors and markets in which the Group operates. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated. No assurances can be given that the forward-looking statements will be realised. The forward-looking statements reflect the knowledge and information available at the date of preparation. Nothing in the interim statement should be considered or construed as a profit forecast for the Group. Except as required by law, the Group has no obligation to update forward-looking statements or to correct any inaccuracies therein.

INTRODUCTION AND TABLE OF CONTENTS

These financial statements are prepared in accordance with IFRS. The Board of Directors also present the Group's performance on the basis recommended for real estate companies by the European Public Real Estate Association (EPRA). The reconciliation between IFRS performance measures and EPRA performance measures can be found in Section 2.2b for EPRA Earnings and 2.3c for EPRA net tangible assets (NTA). The adjustments to the IFRS results are intended to help users in the comparability of these results across other listed real estate companies in Europe and reflect how the Directors monitor the business.

Primary statements

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CONSOLIDATED INCOME STATEMENT

For the 6 months to 30 June 2021

	Note	Unaudited 6 months to 30 Jun 2021 £m	Unaudited 6 months to 30 Jun 2020 £m	Year to 31 Dec 2020 £m
Rental income	2.4	116.8	114.9	196.1
Other income	2.4	23.8	7.7	19.5
Total revenue		**140.6**	**122.6**	**215.6**
Cost of sales		(30.5)	(27.5)	(53.3)
Expected credit losses		(0.8)	-	(8.6)
Operating expenses		(15.2)	(15.0)	(34.7)
Results from operating activities		**94.1**	**80.1**	**119.0**
Loss on disposal of property		(11.0)	(0.5)	(1.9)
Net valuation gains/(losses) on property (owned)	3.1a	32.5	(102.1)	(124.2)
Net valuation losses on property (leased)	3.1a	(2.6)	(3.2)	(11.2)
Integration costs		-	(8.1)	(9.2)
Profit/(loss) before net financing costs		**113.0**	**(33.8)**	**(27.5)**
Loan interest and similar charges		(18.5)	(22.1)	(41.9)
Mark to market changes in interest rate swaps		3.0	-	(5.8)
Swap cancellation and loan break costs		(1.5)	(5.6)	(30.1)
Interest on lease liability		(4.2)	(4.4)	(8.8)
Finance costs		**(21.2)**	**(32.1)**	**(86.6)**
Finance income		-	2.9	5.6
Net financing costs		**(21.2)**	**(29.2)**	**(81.0)**
Share of joint venture profit/(loss)	3.3a	38.6	(10.9)	(11.6)
Profit/(loss) before tax		**130.4**	**(73.9)**	**(120.1)**
Current tax		0.6	0.1	(1.2)
Deferred tax		0.2	(1.1)	(0.9)
Profit/(loss) for the period		**131.2**	**(74.9)**	**(122.2)**
Profit/(loss) for the period attributable to				
Owners of the parent company	2.2c	130.3	(74.3)	(121.0)
Minority interest		0.9	(0.6)	(1.2)
		131.2	**(74.9)**	**(87.6)**
Earnings/(loss) per share				
Basic	2.2c	32.7p	(20.4p)	(31.8p)
Diluted	2.2c	32.6p	(20.3p)	(31.8p)

All results are derived from continuing activities.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 6 months to 30 June 2021

	Unaudited 6 months to 30 Jun 2021 £m	Unaudited 6 months to 30 Jun 2020 £m	Year to 31 Dec 2020 £m
Profit/(loss) for the period	**131.2**	**(74.9)**	**(122.2)**
Mark to market movements on hedged instruments	16.2	(17.0)	(12.8)
Hedges reclassified to profit or loss	-	-	2.5
Share of joint venture mark to market movements on hedged instruments	0.2	(0.2)	(0.1)
Other comprehensive income/(loss) for the period	16.4	(17.2)	(10.4)
Total comprehensive income/(loss) for the period	**147.6**	**(92.1)**	**(132.6)**
Attributable to			
Owners of the parent company	146.7	(91.5)	(131.4)
Minority interest	0.9	(0.6)	(1.2)
	147.6	**(92.1)**	**(132.6)**

All other comprehensive income may be classified as profit and loss in the future.

There are no tax effects on items of other comprehensive income/(loss).

CONSOLIDATED BALANCE SHEET

At 30 June 2021

	Note	Unaudited 30 Jun 2021 £m	Unaudited 30 Jun 2020 £m	31 Dec 2020 £m
Assets				
Investment property (owned)	3.1a	3,236.3	3,317.2	3,614.7
Investment property (leased)	3.1a	99.7	107.5	101.8
Investment property (under development)	3.1a	235.7	458.0	187.2
Investment in joint ventures	3.3a	974.6	850.4	849.0
Other non-current assets		20.1	22.8	21.9
Right of use assets		4.2	5.0	4.3
Deferred tax asset		2.2	1.5	1.9
Total non-current assets		**4,572.8**	**4,762.4**	**4,780.8**
Inventories	3.2	11.3	5.9	8.8
Assets classified as held for sale	3.1a	13.0	-	-
Trade and other receivables		88.1	62.1	104.0
Cash and cash equivalents		502.1	557.6	338.3
Total current assets		**614.5**	**625.6**	**451.1**
Total assets		**5,187.3**	**5,388.0**	**5,231.9**
Liabilities				
Borrowings	4.1	-	(1.4)	-
Interest rate swaps		-	-	(5.8)
Lease liability		(4.3)	(4.0)	(4.4)
Trade and other payables		(152.4)	(114.6)	(141.3)
Current tax liability		-	-	(0.3)
Provisions	5.1	(27.7)	-	(15.7)
Total current liabilities		**(184.4)**	**(120.0)**	**(167.5)**
Borrowings	4.1	(1,539.1)	(1,845.6)	(1,689.9)
Lease liability		(94.7)	(98.8)	(96.7)
Interest rate swaps	4.2	(4.4)	(24.6)	(17.8)
Total non-current liabilities		**(1,638.2)**	**(1,969.0)**	**(1,804.4)**
Total liabilities		**(1,822.6)**	**(2,089.0)**	**(1,971.9)**
Net assets		**3,364.7**	**3,299.0**	**3,260.0**
Equity				
Issued share capital		99.7	99.5	99.5
Share premium		2,160.8	2,160.3	2,160.3
Merger reserve		40.2	40.2	40.2
Retained earnings		1,036.4	994.1	949.0
Hedging reserve		2.2	(20.8)	(14.1)
Equity attributable to the owners of the parent company		**3,339.3**	**3,273.3**	**3,234.9**
Minority interest		25.5	25.7	25.1
Total equity		**3,364.8**	**3,299.0**	**3,260.0**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the 6 months to 30 June 2021

	Issued share capital £m	Share premium £m	Merger reserve £m	Retained earnings £m	Hedging reserve £m	Attributable to owners of the parent £m	Minority interest £m	Total £m
At 1 Jan 2021	**99.5**	**2,160.3**	**40.2**	**949.0**	**(14.1)**	**3,234.9**	**25.1**	**3,260.0**
(Unaudited)								
Profit for the period	-	-	-	130.3	-	130.3	0.9	**131.2**
Other comprehensive income for the period:								
Mark to market movements on hedged instruments	-	-	-	-	16.2	16.2	-	**16.2**
Share of joint venture mark to market movements on hedged instruments	-	-	-	-	0.2	0.2	-	**0.2**
Total comprehensive income for the period	-	-	-	130.3	16.4	146.7	0.9	**147.6**
Shares issued	0.2	0.5	-	-	-	0.7	-	**0.7**
Fair value of share based payments	-	-	-	0.9	-	0.9	-	**0.9**
Deferred tax on share based payments	-	-	-	-	-	-	-	**-**
Own shares acquired	-	-	-	(1.3)	-	(1.3)	-	**(1.3)**
Unwind of realised swap gain	-	-	-	-	(0.1)	(0.1)	-	**(0.1)**
Dividends to owners of the parent company	-	-	-	(42.5)	-	(42.5)	-	**(42.5)**
Dividends to minority interest	-	-	-	-	-	-	(0.5)	**(0.5)**
At 30 Jun 2021	**99.7**	**2,160.8**	**40.2**	**1,036.4**	**2.2**	**3,339.3**	**25.5**	**3,364.8**

	Issued share capital £m	Share premium £m	Merger reserve £m	Retained earnings £m	Hedging reserve £m	Attributable to owners of the parent £m	Minority interest £m	Total £m
At 1 Jan 2020	**90.9**	**1,874.9**	**40.2**	**1,069.0**	**(3.5)**	**3,071.5**	**26.5**	**3,098.0**
(Unaudited)								
Loss for the period	-	-	-	(74.3)	-	(74.3)	(0.6)	**(74.9)**
Other comprehensive loss for the period:								
Mark to market movement on hedged instruments	-	-	-	-	(17.0)	(17.0)	-	**(17.0)**
Share of joint venture mark to market movements on hedged instruments	-	-	-	-	(0.2)	(0.2)	-	**(0.2)**
Total comprehensive loss for the period	-	-	-	(74.3)	(17.2)	(91.5)	(0.6)	**(92.1)**
Shares issued	8.6	285.4	-	-	-	294.0	-	**294.0**
Fair value of share based payments	-	-	-	-	-	-	-	**-**
Deferred tax on share based payments	-	-	-	0.1	-	0.1	-	**0.1**
Own shares acquired	-	-	-	(0.7)	-	(0.7)	-	**(0.7)**
Unwind of realised swap gain	-	-	-	-	(0.1)	(0.1)	-	**(0.1)**
Dividends to owners of the parent company	-	-	-	-	-	-	-	**-**
Dividends to minority interest	-	-	-	-	-	-	(0.2)	**(0.2)**
At 30 Jun 2020	**99.5**	**2,160.3**	**40.2**	**994.1**	**(20.8)**	**3,273.3**	**25.7**	**3,299.0**

	Issued share capital £m	Share premium £m	Merger reserve £m	Retained earnings £m	Hedging reserve £m	Attributable to owners of the parent £m	Minority interest £m	Total £m
At 1 Jan 2020	**90.9**	**1,874.9**	**40.2**	**1,069.0**	**(3.5)**	**3,071.5**	**26.5**	**3,098.0**
Loss for the year	-	-	-	(121.0)	-	(121.0)	(1.2)	**(122.2)**
Other comprehensive loss for the year:								
Mark to market movement on hedged instruments	-	-	-	-	(12.8)	(12.8)	-	**(12.8)**
Hedges reclassified to profit or loss	-	-	-	-	2.5	2.5	-	**2.5**
Share of joint venture mark to market movements on hedged instruments	-	-	-	-	(0.1)	(0.1)	-	**(0.1)**
Total comprehensive loss for the year	-	-	-	(121.0)	(10.4)	(131.4)	(1.2)	**(132.6)**
Shares issued	8.6	285.4	-	-	-	294.0	-	**294.0**
Fair value of share based payments	-	-	-	1.6	-	1.6	-	**1.6**
Deferred tax on share based payments	-	-	-	0.1	-	0.1	-	**0.1**
Own shares acquired	-	-	-	(0.7)	-	(0.7)	-	**(0.7)**
Unwind of realised swap gain	-	-	-	-	(0.2)	(0.2)	-	**(0.2)**
Dividends to owners of the parent company	-	-	-	-	-	-	-	**-**
Dividends to minority interest	-	-	-	-	-	-	(0.2)	**(0.2)**
At 31 Dec 2020	**99.5**	**2,160.3**	**40.2**	**949.0**	**(14.1)**	**3,234.9**	**25.1**	**3,260.0**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months to 30 June 2021

	Unaudited 6 months to 30 Jun 2021 £m	Unaudited 6 months to 30 Jun 2020 £m	Year to 31 Dec 2020 £m
Net cash flows from operating activities	**73.0**	**16.5**	**78.5**
Investing activities			
Investment in joint ventures	-	-	(7.5)
Capital expenditure on property	(38.1)	(106.8)	(148.5)
Acquisition of intangible assets	(1.3)	(0.5)	(2.7)
Acquisition of plant and equipment	(0.2)	(0.4)	(0.7)
Proceeds from the sale of investment property	309.0	-	-
Interest received	-	0.1	0.1
Dividends received	23.3	10.3	10.2
Cash flows from investing activities	**292.7**	**(97.3)**	**(149.1)**
Financing activities			
Proceeds from the issue of share capital	0.5	293.8	294.0
Payments to acquire own shares	(1.3)	(0.1)	(0.7)
Interest paid in respect of financing activities	(13.4)	(12.9)	(54.2)
Swap cancellation and debt exit costs	(1.5)	(5.6)	(30.1)
Proceeds from non-current borrowings	150.0	305.0	355.1
Repayment of borrowings	(300.0)	(25.3)	(233.3)
Dividends paid to the owners of the parent company	(35.5)	-	-
Withholding tax paid on distributions	-	(3.4)	(3.4)
Dividends paid to minority interest	(0.7)	-	(0.2)
Cash flows from financing activities	**(201.9)**	**551.5**	**327.2**
Net increase in cash and cash equivalents	**163.8**	**470.7**	**251.4**
Cash and cash equivalents at start of period	338.3	86.9	86.9
Cash and cash equivalents at end of period	**502.1**	**557.6**	**338.3**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Section 1: Basis of preparation

General information

The information for the year ended 31 December 2020 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006 but is derived from those accounts. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Basis of preparation

The annual financial statements of The Unite Group plc are prepared in accordance with IFRSs as adopted by the United Kingdom. The condensed set of financial statements included in this half yearly financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the United Kingdom.

Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

In response to Covid-19, the Directors considered a range of scenarios for future performance, with a focus on forecast liquidity and ICR covenant performance. The Directors' Base Case scenario is informed by their reasoned opinion that UK Universities will remain open throughout the review period. All Higher Education students were allowed to return to in-person teaching from mid-May and the Government has recently confirmed that there will be no restrictions on in-person teaching and learning in universities from 16 August. As a result, Universities are expected to welcome students for the 2021/22 academic year and there will be continued demand for rented student accommodation from both UK and international students. The greater level of uncertainty around international students' behaviour and their ability to travel to the UK could lead to a reduction in demand from this customer group. The Directors are satisfied that the Group has sufficient liquidity and will maintain covenant compliance over the next 12 months. To support the Directors' going concern assessment, a 'Reverse Stress Test' was performed to determine the level of performance at which adopting the going concern basis of preparation may not be appropriate. This involved assessing the minimum amount of income required to ensure lender covenants would not be breached. Within the tightest covenant, income could fall significantly below Base Case before there would be a breach. The Directors are satisfied that the possibility of such an outcome is sufficiently remote that adopting the going concern basis of preparation is appropriate.

As at the date of this report, the global outlook as a result of Covid-19 continues to be uncertain and the range of potential outcomes is wide ranging and unknown. In particular, should the impact on trading conditions be more prolonged or severe than currently forecast by the Directors, namely if there is a further sustained national lockdown that results in Universities not opening physically and students either not arriving at University or returning home, the Group's going concern status may be dependent on its ability to seek interest cover covenant waivers from its lenders. The Directors consider that this eventuality to be remote.

Accordingly, after making enquiries and having considered forecasts and appropriate sensitivities, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of these financial statements.

Seasonality of operations

The results of the Group's Operations segment, a separate business segment (see Section 2), are closely linked to the level of occupancy achieved in its portfolio of property. Occupancy typically falls over the summer months (particularly July and August) as students leave for the summer holidays. In response to the second national lockdown in January 2021, the Group offered students a 10-week 50% rental discount.

We are targeting 95-98% occupancy for the 2021/22 academic year (2020/21: 88%), the expected increase in occupancy and income will result in less seasonal variation from the first half-year than is typical. In 2020, we took the decision to defer delivery of our developments, which were originally expected to complete for the start of the 2021/22 academic year, to 2022/23. Accordingly, there will be no second half-year net income benefit from newly completing assets in 2021.

Changes in accounting policies

The Group has adopted Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 9 and IFRS 7) from 1 January 2021, and this change is expected to be reflected in the Group's consolidated financial statements for the year ended 31 December 2021. The Group intends to implement the practical expedients when effecting the transition, with both debt and any associated hedging instruments intended to be transitioned concurrently from LIBOR to SONIA rates during the second half of 2021, and as a result this is not expected to have any material impact on the financial statements.

The Group has not adopted any other new accounting standards in the period or changed any accounting policies from those included in the 2020 Annual Report.

Critical accounting estimates and judgements

Full details of significant accounting judgements and estimation uncertainty are given on page 174 of the 2020 Annual Report and Accounts. This includes detail of the Group's approach to valuation of investment property and investment property under development, and the use of external valuers in the process.

Section 2: Results for the period

This section focuses on the results and performance of the Group and provides a reconciliation between the primary statements and EPRA performance measures. On the following pages you will find disclosures explaining the Group's results for the period, segmental information, earnings and net tangible asset value (NTA) per share.

The Group uses EPRA earnings and NTA movement as key comparable indicators across other real estate companies in Europe.

IFRS performance measures

	Note	Unaudited 30 Jun 2021		Unaudited 30 June 2020		31 Dec 2020	
		£m	pps	£m	pps	£m	pps
Profit/(loss) after tax	2.2c	**130.3**	**32.7p**	(74.3)	(20.4p)	(121.0)	(31.8p)
Net assets	2.3d	**3,339.3**	**833p**	3,273.3	822p	3,234.9	809p

EPRA performance measures

	Note	Unaudited 30 Jun 2021		Unaudited 30 Jun 2020		31 Dec 2020	
		£m	pps	£m	pps	£m	pps
EPRA earnings	2.2c	**88.3**	**22.2p**	74.8	20.5p	97.3	25.5p
EPRA NTA	2.3d	**3,352.1**	**837p**	3,306.1	828p	3,266.2	818p

2.1 Segmental information

The Board of Directors monitor the business along two activity lines, Operations and Property. The reportable segments for the 6 months ended 30 June 2021 and 30 June 2020 and for the year ended 31 December 2020 are Operations and Property.

The Group undertakes its Operations and Property activities directly and through joint ventures with third parties. The joint ventures are an integral part of each segment and are included in the information used by the Board to monitor the business.

The Group's properties are located exclusively in the United Kingdom. The Group therefore has one geographical segment.

2.2 Earnings

EPRA earnings amends IFRS measures by removing principally the unrealised investment property valuation gains and losses such that users of the Financials are able to see the extent to which dividend payments (dividends per share) are underpinned by earnings arising from purely operational activity. In 2020, in consideration of EPRA's focus on presenting clear comparability in results from recurring operational activities, EPRA earnings excludes integration costs. The reconciliation between profit/loss attributable to owners of the parent company and EPRA earnings is available in note 2.2b.

The Operations segment manages rental properties, owned directly by the Group or by joint ventures. Its revenues are derived from rental income and asset management fees earned from joint ventures. The way in which the Operations segment adds value to the business is set out in the Operations review on pages 17 – 21 of the 2020 Annual Report. The Operations segment is the main contributor to EPRA earnings and EPRA EPS and these are therefore the key indicators which are used by the Board to manage the Operations business.

The Board does not manage or monitor the Operations segment through the balance sheet and therefore no segmental information for assets and liabilities is provided for the Operations segment.

2.2a EPRA earnings

Unaudited 30 June 2021

£m	Unite	Share of joint ventures USAF	Share of joint ventures LSAV	Group on see through basis Total
Rental income	116.8	19.5	16.6	152.9
Property operating expenses	(31.3)	(6.3)	(4.2)	(41.8)
Net operating income	**85.5**	**13.2**	**12.4**	**111.1**
Management fees	9.8	(1.6)	-	8.2
Operating expenses	(12.6)	(0.2)	(0.2)	(13.0)
Lease liability interest	(4.2)	-	-	(4.2)
Net financing costs	(20.7)	(3.3)	(4.4)	(28.4)
Operations segment result	**57.8**	**8.1**	**7.8**	**73.7**
Property segment result	**(1.0)**	**-**	**-**	**(1.0)**
Unallocated to segments	**31.8**	**(0.1)**	**(16.1)**	**15.6**
EPRA earnings	**88.6**	**8.0**	**(8.3)**	**88.3**

Included in the above is rental income of £9.1 million and property operating expenses of £4.1 million relating to sale and leaseback properties.

The unallocated to segments balance includes the fair value of share-based payments of (£1.0 million), contributions to the Unite Foundation of (£0.6 million), LSAV performance fee of £15.7 million, other costs of (£0.3 million), current tax credit of £1.7 million and deferred tax credit of £0.2 million.

Unaudited 30 June 2020

£m	Unite	Share of joint ventures USAF	Share of joint ventures LSAV	Group on see through basis Total
Rental income	114.9	20.6	19.4	154.9
Property operating expenses	(27.5)	(6.0)	(4.0)	(37.5)
Net operating income	**87.4**	**14.6**	**15.4**	**117.4**
Management fees	11.0	(1.6)	(1.7)	7.7
Operating expenses	(13.8)	(0.1)	(0.2)	(14.1)
Lease liability interest	(4.4)	-	-	(4.4)
Net financing costs	(21.3)	(3.3)	(4.5)	(29.1)
Operations segment result	**58.9**	**9.6**	**9.0**	**77.5**
Property segment result	**(0.9)**	**-**	**-**	**(0.9)**
Unallocated to segments	**(1.6)**	**(0.1)**	**(0.1)**	**(1.8)**
EPRA earnings	**56.4**	**9.5**	**8.9**	**74.8**

Included in the above is rental income of £8.2 million and property operating expenses of £3.5 million relating to sale and leaseback properties.

The unallocated to segments balance includes the fair value of share-based payments of (£0.1 million), contributions to the Unite Foundation of (£0.4 million), current tax of (£0.3 million) and deferred tax of (£1.0 million).

EPRA earnings excludes integrations costs associated with the acquisition of Liberty Living, which total £8.1 million in the period.

31 December 2020

		Share of joint ventures		Group on see through basis
	Unite £m	USAF £m	LSAV £m	Total £m
Rental income	196.1	34.2	32.9	263.2
Property operating expenses	(61.9)	(12.8)	(8.2)	(82.9)
Net operating income	**134.2**	**21.4**	**24.7**	**180.3**
Management fees	20.1	(2.8)	(3.3)	14.0
Operating expenses	(30.1)	(0.3)	(0.5)	(30.9)
Interest on lease liabilities	(8.8)	–	–	(8.8)
Net financing costs	(40.6)	(6.6)	(8.9)	(56.1)
Operations segment result	**74.8**	**11.7**	**12.0**	**98.5**
Property segment result	**(2.2)**	**–**	**–**	**(2.2)**
Unallocated to segments	**7.1**	**(0.3)**	**(5.8)**	**1.0**
EPRA earnings	**79.7**	**11.4**	**6.2**	**97.3**

Included in the above is rental income of £14.6 million and property operating expenses of £7.3 million relating to sale and leaseback properties.

The unallocated to segments balance includes the fair value of share-based payments of (£1.7 million), contributions to the Unite Foundation of (£1.0 million), LSAV performance fee of £5.7 million, deferred tax charge of (£0.8 million) and current tax charge of (£1.2 million).

EPRA earnings excludes integrations costs associated with the acquisition of Liberty Living, which total £9.2 million in the year.

2.2b IFRS reconciliation to EPRA earnings

EPRA earnings excludes movements relating to changes in values of investment properties (owned, leased and under development), profits/losses from the disposal of properties, swap/debt break costs and integration costs, which are included in the profit/loss reported under IFRS. EPRA earnings reconcile to the profit/(loss) attributable to owners of the parent company as follows:

	Note	Unaudited 6 months to 30 Jun 2021 £m	Unaudited 6 months to 30 Jun 2020 £m	Year to 31 Dec 2020 £m
Profit/(loss) attributable to owners of the parent company		**130.3**	**(74.3)**	**(121.0)**
Net valuation (gains)/losses on investment property (owned)	3.1	(32.5)	102.1	124.2
Property disposals (owned)		11.0	0.5	1.9
Net valuation loss on investment property (leased)		2.6	3.2	11.2
Property disposals (leased)		-	-	-
Integration costs		-	8.1	9.2
Amortisation of fair value of debt recognised on acquisition		(2.2)	(2.2)	(4.3)
Share of joint venture (gains)/losses on investment property	3.3b	(21.8)	33.1	41.5
Share of joint venture property disposals	3.3b	0.7	-	-
Swap cancellation and loan break costs		1.5	5.6	30.1
Mark to market changes on interest rate swaps		(3.0)	-	5.8
Current tax		1.2	(0.1)	-
Deferred tax		-	(0.2)	0.1
Minority interest share of reconciling items*		0.5	(1.0)	(1.4)
EPRA earnings	2.2a	**88.3**	**74.8**	**97.3**

* The minority interest share, or non-controlling interest, arises as a result of the Group not owning 100% of the share capital of one of its subsidiaries, USAF (Feeder) Guernsey Ltd. More detail is provided in note 3.3.

2.2c Earnings per share

The Basic EPS calculation is based on the earnings attributable to the equity shareholders of The Unite Group plc and the weighted average number of shares which have been in issue during the period. Basic EPS is adjusted in line with EPRA guidelines in order to allow users to compare the business performance of the Group with other listed real estate companies in a consistent manner and to reflect how the business is managed and measured on a day-to-day basis.

The calculations of basic, diluted and EPRA EPS are as follows:

	Note	Unaudited 30 Jun 2021		Unaudited 30 Jun 2020		31 Dec 2020	
		£m	pps	£m	pps	£m	pps
Earnings/(loss)							
Basic		**130.3**	**32.7p**	(74.3)	(20.4p)	(121.0)	(31.8p)
Diluted		**130.3**	**32.6p**	(74.3)	(20.3p)	(121.0)	(31.8p)
EPRA	2.2a	**88.3**	**22.2p**	74.8	20.5p	97.3	25.5p

Weighted average number of shares (thousands)			
Basic	398,227	364,054	381,379
Dilutive potential ordinary shares (share options)	863	959	872
Diluted	399,873	365,013	382,251

The total number of ordinary shares in issue as at 30 June 2021 is 399,010,000 (30 June 2020: 398,168,000, 31 December 2020: 398,226,000). At 30 June 2021 there were 16,841 shares excluded from the potential dilutive shares that did not affect the diluted weighted average number of shares (30 June 2020: 8,313, 31 December 2020: 11,278).

2.3 Net Assets

EPRA NTA per share makes adjustments to IFRS measures by removing the fair value of financial instruments and the carrying value of intangibles. The reconciliation between IFRS NAV and EPRA NTA is available in note 2.3c.

The Group's Property business undertakes the acquisition and development of properties. The way in which the Property segment adds value to the business is set out in the Property review on pages 22 - 25 of the 2020 Annual Report.

In October 2019, EPRA issued updated best practice recommendations, including new definitions of NAV measures, which became effective for the Group on 1 January 2020. The revision included the introduction of EPRA Net Tangible Assets (NTA) which is the most relevant new NAV measure for the Group, and this will be our primary NAV measure going forward. EPRA NTA adjusts the previous EPRA NAV, our previous key NAV measure, by excluding intangible assets.

2.3a EPRA net assets

Unaudited 30 June 2021

		Share of joint ventures		Group on EPRA basis
	Unite £m	USAF £m	LSAV £m	Total £m
Investment properties (owned)	3,249.3	616.0	850.9	4,716.2
Investment properties (leased)	99.7	-	-	99.7
Investment properties (under development)	235.7	-	-	235.7
Total property portfolio	**3,584.7**	**616.0**	**850.9**	**5,051.6**
Debt on properties	(1,514.8)	(201.1)	(337.8)	(2,053.7)
Lease liability	(95.2)	-	-	(95.2)
Cash	502.1	21.3	30.0	553.4
Net debt	**(1,107.9)**	**(179.8)**	**(307.8)**	**(1,595.5)**
Other liabilities	(57.0)	(16.2)	(13.5)	(86.7)
Intangibles per IFRS balance sheet	(17.3)	-	-	(17.3)
EPRA NTA	**2,402.5**	**420.0**	**529.6**	**3,352.1**
Loan to value*	29%	29%	36%	30%
Loan to value post-IFRS 16	31%	29%	36%	32%

* LTV calculated excluding leased investment property and the corresponding lease liability

Unaudited 30 June 2020

	Unite £m	Share of joint ventures USAF £m	LSAV £m	Group on EPRA basis Total £m
Investment properties (owned)	3,317.2	614.0	657.8	4,589.0
Investment properties (leased)	107.5	-	-	107.5
Investment properties (under development)	458.0	-	-	458.0
Total property portfolio	**3,882.7**	**614.0**	**657.8**	**5,154.5**
Debt on properties	(1,818.6)	(195.8)	(267.9)	(2,282.3)
Lease liability	(97.2)	-	-	(97.2)
Cash	557.6	7.6	29.0	594.2
Net debt	**(1,358.2)**	**(188.2)**	**(238.9)**	**(1,785.3)**
Other liabilities	(24.1)	(2.7)	(16.5)	(43.3)
Intangibles per IFRS balance sheet	(19.8)	-	-	(19.8)
EPRA NTA	**2,480.6**	**423.1**	**402.4**	**3,306.1**
Loan to value*	33%	31%	36%	33%
Loan to value post-IFRS 16	35%	31%	36%	35%

* LTV calculated excluding leased investment property and the corresponding lease liability.

31 December 2020

	Unite £m	Share of joint ventures USAF £m	LSAV £m	Group on EPRA basis Total £m
Investment properties (owned)	3,614.7	616.7	661.8	4,893.2
Investment properties (leased)	101.8	-	-	101.8
Investment properties (under development)	187.2	-	-	187.2
Total property portfolio	**3,903.7**	**616.7**	**661.8**	**5,182.2**
Debt on properties	(1,663.5)	(201.1)	(268.2)	(2,132.8)
Lease liabilities	(96.3)	-	-	(96.3)
Cash	338.3	15.4	37.3	391.0
Net debt	**(1,421.5)**	**(185.7)**	**(230.9**	**(1,838.1)**
Other liabilities	(21.3)	(13.2)	(24.4)	(58.9)
Intangibles per IFRS balance sheet	(19.0)	-	-	(19.0)
EPRA NTA	**2,441.9**	**417.8**	**406.5**	**3,266.2**
Loan to value*	35%	30%	35%	34%
Loan to value post-IFRS 16	36%	30%	35%	35%

* LTV calculated excluding investment properties (leased) and the corresponding lease liabilities.

2.3b Movement in EPRA NTA during the period

Contributions to EPRA NTA by each segment during the period are as follows:

Unaudited 30 June 2021

		Share of joint ventures		Group on see through basis
	Unite £m	USAF £m	LSAV £m	Total £m
Operations				
Operations segment result	57.8	8.1	7.8	73.7
Add back amortisation of intangibles	3.0	-	-	3.0
Total operations	**60.8**	**8.1**	**7.8**	**76.7**
Property				
Rental growth	13.3	6.4	10.7	30.4
Yield movement	7.6	0.8	3.5	11.9
Disposal losses (owned)	(11.0)	(0.7)	-	(11.7)
Investment property gains (owned)	9.9	6.5	14.2	30.6
Investment property losses (leased)	(2.6)	-	-	(2.6)
Investment property gains (under development)	11.6	-	-	11.6
Pre-contract/other development costs	(1.0)	-	-	(1.0)
Total property	**17.9**	**6.5**	**14.2**	**38.6**
Unallocated				
Shares issued	0.7	-	-	0.7
Investment in joint ventures	(105.0)	(12.2)	117.2	-
Dividends paid	(42.5)	-	-	(42.5)
LSAV performance fee	31.4	-	(15.7)	15.7
Swap cancellation and loan break costs	(1.5)	-	-	(1.5)
Purchase of intangibles	(1.3)	-	-	(1.3)
Other	0.1	(0.2)	(0.4)	(0.5)
Total unallocated	**(118.1)**	**(12.4)**	**101.1**	**(29.4)**
Total EPRA NTA movement in the period	**(39.4)**	**(2.2)**	**123.1**	**85.9**
Total EPRA NTA brought forward	2,441.9	417.8	406.5	3,266.2
Total EPRA NTA carried forward	**2,402.5**	**420.0**	**529.6**	**3,352.1**

The £0.6 million that comprises the other balance within the unallocated segment includes a tax credit of (£1.8 million), the purchase of own shares of £1.3 million, contributions to the Unite Foundation of £0.6 million and other costs of £0.4 million.

Unaudited 30 June 2020

	Unite £m	Share of joint ventures USAF £m	LSAV £m	Group on see through basis Total £m
Operations				
Operations segment result	58.9	9.6	9.0	77.5
Add back amortisation of intangibles	3.0	-	-	3.1
Total operations	**61.9**	**9.6**	**9.0**	**80.5**
Property				
Lost rental income due to Covid-19	(85.8)	(17.6)	(14.2)	(117.6)
Yield movement	(12.0)	(0.1)	(0.1)	(12.2)
Disposal losses (owned)	(0.5)	-	-	(0.5)
Investment property losses (owned)	(98.3)	(17.7)	(14.3)	(130.3)
Investment property losses (leased)	(3.2)	-	-	(3.2)
Investment property losses (under development)	(4.3)	-	-	(4.3)
Pre-contract/other development costs	(0.9)	-	-	(0.9)
Total property	**(106.7)**	**(17.7)**	**(14.3)**	**(138.7)**
Unallocated				
Shares issued	293.8	-	-	293.8
Investment in joint ventures	10.0	(6.0)	(4.0)	-
Dividends paid	-	-	-	-
LSAV performance fee	-	-	-	-
Swap cancellation and loan break costs	(5.6)	-	-	(5.6)
Purchase of intangibles	(0.1)	-	-	0.1
Integration costs	(8.1)	-	-	(8.1)
Other	(2.5)	(0.1)	(0.1)	(2.7)
Total unallocated	**287.5**	**(6.1)**	**(4.1)**	**277.3**
Total EPRA NTA movement in the period	**242.7**	**(14.2)**	**(9.4)**	**219.1**
Total EPRA NTA brought forward	2,237.9	437.3	411.8	3,087.0
Total EPRA NTA carried forward	**2,480.6**	**423.1**	**402.4**	**3,306.1**

The £2.7 million other balance within the unallocated segment includes a tax charge of £1.3 million, the purchase of own shares of £0.7 million and contributions to the Unite Foundation of £0.4 million.

31 December 2020

		Share of joint ventures		Group on see through basis
	Unite £m	USAF £m	LSAV £m	Total £m
Operations				
Operations segment result	74.8	11.7	12.0	98.5
Add back amortisation of intangibles	6.4	-	-	6.4
Total operations	**81.2**	**11.7**	**12.0**	**104.9**
Property				
Lost rental income due to Covid-19	(102.4)	(24.0)	(15.0)	(141.4)
Yield movement	(17.6)	(1.1)	0.1	(18.6)
Disposal losses (owned)	(1.9)	-	-	(1.9)
Investment property losses (owned)	(121.9)	(25.1)	(14.9)	(161.9
Investment property losses (leased)	(11.2)	-	-	(11.2)
Investment property losses (under development)	(4.2)	-	-	(4.2)
Pre-contract/other development costs	(2.2)	-	-	(2.2)
Total property	**(139.5)**	**(25.1)**	**(14.9)**	**(179.5)**
Unallocated				
Shares issued	294.0	-	-	294.0
Investment in joint ventures	2.3	(5.7)	3.4	-
Dividends paid	-	-	-	-
LSAV performance fee	11.4	-	(5.7)	5.7
Swap cancellation and loan break costs	(30.1)	-	-	(30.1)
Purchase of intangibles	(2.7)	-	-	(2.7)
Integration costs	(9.2)	-	-	(9.2)
Other	(3.4)	(0.4)	(0.1)	(3.9)
Total unallocated	**262.3**	**(6.1)**	**(2.4)**	**253.8**
Total EPRA NTA movement in the year	**204.0**	**(19.5)**	**(5.3)**	**179.2**
Total EPRA NTA brought forward	2,237.9	437.3	411.8	3,087.0
Total EPRA NTA carried forward	**2,441.9**	**417.8**	**406.5**	**3,266.2**

The £3.9 million other balance within the unallocated segment includes a tax charge of £2.1 million, the purchase of own shares of £0.7 million and contributions to the Unite Foundation of £1.0 million.

2.3c Reconciliation to IFRS

To determine EPRA NTA, net assets reported under IFRS are amended to exclude the fair value of financial instruments, associated tax and the carrying value of intangibles.

To determine EPRA NRV, net assets reported under IFRS are amended to exclude the fair value of financial instruments, associated tax and real estate transfer tax.

To determine EPRA NDV, net assets reported under IFRS are amended to exclude the fair value of financial instruments but include the fair value of fixed interest rate debt and the carrying value of intangibles.

The net assets reported under IFRS reconcile to EPRA NTA, NRV and NDV as follows:

Unaudited 30 June 2021

	NTA £m	NRV £m	NDV £m
Net asset value reported under IFRS	**3,339.3**	**3,339.3**	**3,339.3**
Mark to market interest rate swaps	4.9	4.9	-
Unamortised swap gain	(1.7)	(1.7)	(1.7)
Mark to market of fixed rate debt	-	-	(68.8)
Unamortised fair value of debt recognised on acquisition	26.0	26.0	26.0
Current tax	0.9	0.9	-
Deferred tax	-	-	-
Intangibles per IFRS balance sheet	(17.3)	-	-
Real estate transfer tax	-	247.8	-
EPRA reporting measure	**3,352.1**	**3,617.2**	**3,294.8**

Unaudited 30 June 2020

	NTA £m	NRV £m	NDV £m
Net asset value reported under IFRS	**3,273.3**	**3,273.3**	**3,273.3**
Mark to market interest rate swaps	25.4	25.4	-
Unamortised swap gain	(2.0)	(2.0)	(2.0)
Mark to market of fixed rate debt	-	-	(98.2)
Unamortised fair value of debt recognised on acquisition	30.2	30.2	30.2
Current tax	-	-	-
Deferred tax	(1.0)	(1.0)	-
Intangibles per IFRS balance sheet	(19.8)	-	-
Real estate transfer tax	-	265.3	-
EPRA reporting measure	**3,306.1**	**3,591.2**	**3,203.3**

31 December 2020

	NTA £m	NRV £m	NDV £m
Net asset value reported under IFRS	**3,234.9**	**3,234.9**	**3,234.9**
Mark to market interest rate swaps	24.4	24.4	-
Unamortised swap gain	(1.8)	(1.8)	(1.8)
Mark to market of fixed rate debt	-	-	(85.2)
Unamortised fair value of debt recognised on acquisition	28.1	28.1	28.1
Current tax	(0.4)	(0.4)	-
Intangibles per IFRS balance sheet	(19.0)	-	-
Real estate transfer tax	-	312.0	-
EPRA reporting measure	**3,266.2**	**3,597.2**	**3,176.0**

2.3d NTA, NRV and NDV per share

Basic NAV is based on the net assets attributable to the equity shareholders of The Unite Group plc and the number of shares in issue at the end of the period. The Board uses EPRA NTA to monitor the performance of the Property segment on a periodic basis.

	Note	Unaudited 30 Jun 2021 £m	Unaudited 30 Jun 2020 £m	31 Dec 2020 £m	Unaudited 30 Jun 2021 pps	Unaudited 30 Jun 2020 pps	31 Dec 2020 pps
Net assets							
Basic	2.3c	**3,339.3**	3,273.3	3,234.9	**833**	822	809
EPRA NTA	2.3a	**3,352.1**	3,306.1	3,266.2	**840**	830	820
EPRA NTA (diluted)		**3,357.0**	3,309.9	3,271.0	**837**	828	818
EPRA NRV		**3,617.2**	3,591.2	3,597.2	**907**	902	903
EPRA NRV (diluted)		**3,622.1**	3,595.0	3,601.9	**904**	900	901
EPRA NDV		**3,294.8**	3,203.3	3,176.0	**826**	805	798
EPRA NDV (diluted)		**3,299.7**	3,207.1	3,180.7	**823**	803	796

Number of shares (thousands)			
Basic	**399,010**	398,168	398,226
Outstanding share options	**1,845**	1,441	1,484
Diluted	**400,855**	399,609	399,710

2.4. Revenue and costs

The Group earns revenue from the following activities:

		Note	Unaudited 6 months to 30 Jun 2021 £m	Unaudited 6 months to 30 Jun 2020 £m	Year to 31 Dec 2020 £m
Rental income*	Operations segment	2.2a	116.8	114.9	196.1
Management fees	Operations segment		8.2	7.8	14.0
LSAV performance fee	Unallocated		15.7	-	5.7
			140.7	122.7	215.8
Impact of minority interest on management fees			(0.1)	(0.1)	(0.2)
Total revenue			**140.6**	**122.6**	**215.6**

* EPRA earnings includes £152.9 million of rental income (30 June 2020: £154.9 million, 31 December 2020: £263.2 million), which is comprised of £116.8 million recognised on wholly owned assets (30 June 2020: £114.9 million, 31 December 2020: £196.1 million) and a further £36.1 million from joint ventures (30 June 2020: £40.0 million, 31 December 2020: £67.1 million) which is included in share of joint venture profit/loss in the consolidated income statement.

The cost of sales included in the consolidated income statement includes property operating expenses of £31.3 million (30 June 2020: £27.6 million, 31 December 2020: £53.3 million).

Section 3: Asset management

The Group holds its property portfolio directly and through its joint ventures. The performance of the property portfolio whether wholly owned or in joint ventures is the key factor that drives EPRA Net Tangibles Asset Value (NTA), one of the Group's key performance indicators.

The following pages provide disclosures about the Group's investments in property assets and joint ventures and their performance over the period.

3.1 Wholly owned property assets

The Group's wholly owned property portfolio is held in three groups on the balance sheet at the carrying values detailed below. In the Group's EPRA NTA, all these groups are shown at market value.

i) Investment property (owned)

These are assets that the Group intends to hold for a long period to earn rental income or capital appreciation. The assets are held at fair value in the balance sheet with changes in fair value taken to the income statement.

ii) Investment property (leased)

These are assets the Group sold to institutional investors and simultaneously leased back. The assets are held at fair value in the balance sheet with changes in fair value taken to the income statement.

iii) Investment property under development

These are assets which are currently in the course of construction and which will be transferred to 'Investment property' on completion. These assets are held at fair value in the balance sheet with changes in fair value taken to the income statement.

3.1a Valuation process

The valuations of the properties are performed twice a year on the basis of valuation reports prepared by external, independent valuers, having an appropriate recognised professional qualification. The fair values are based on market values as defined in the RICS Appraisal and Valuation Manual, issued by the Royal Institution of Chartered Surveyors. CB Richard Ellis Ltd, Jones Lang LaSalle Ltd and Messrs Knight Frank LLP, Chartered Surveyors were the valuers in the 6 months ending 30 June 2021 and throughout 2020.

The valuations are based on both:

- Information provided by the Group such as current rents, occupancy, operating costs, terms and conditions of leases and nomination agreements, capital expenditure, etc. This information is derived from the Group's financial systems and is subject to the Group's overall control environment.
- Assumptions and valuation models used by the valuers – the assumptions are typically market related, such as yield and discount rates. These are based on their professional judgement and market observation.

The information provided to the valuers – and the assumptions and the valuation models used by the valuers – are reviewed by the Property Board and the CFO. This includes a review of the fair value movements over the period.

The fair value of the Group's wholly owned properties and the movements in the carrying value of the Group's wholly owned properties during the period ended 30 June 2021 is shown in the following table:

Unaudited 30 June 2021

	Investment property (owned) £m	Investment property (leased) £m	Investment property under development £m	Total £m
At 1 January 2021	**3,614.7**	**101.8**	**187.2**	**3,903.7**
Cost capitalised	14.9	0.5	34.8	50.2
Interest capitalised	-	-	2.1	2.1
Transfer from work in progress	-	-	-	-
Transfer to assets held for sale	(13.0)	-	-	(13.0)
Disposals	(401.2)	-	-	(401.2)
Valuation gains	60.6	-	11.8	72.4
Valuation losses	(39.7)	(2.6)	(0.2)	(42.5)
Net valuation gains/(losses)	20.9	(2.6)	11.6	29.9
Carrying value and market value at 30 Jun 2021	**3,236.3**	**99.7**	**235.7**	**3,571.7**

Assets classified as Held for Sale and presented within current assets in the Consolidated IFRS Balance Sheet (30 June 2021: £13.0 million, 30 June 2020: £nil, 31 December 2020: £nil) are included within the total Investment Property values for EPRA reporting purposes (note 2.3a). At 30 June 2021 the EPRA carrying value and market value totals £3,584.7 million.

The fair value of the Group's wholly owned properties and the movements in the carrying value of the Group's wholly owned properties during the period ended 30 June 2020 is shown in the following table:

Unaudited 30 June 2020

	Investment property (owned) £m	Investment property (leased) £m	Investment property under development £m	Total £m
At 1 January 2020	**3,406.9**	**110.4**	**411.8**	**3,929.1**
Cost capitalised	8.1	0.3	47.2	55.6
Interest capitalised	-	-	3.3	3.3
Transfer from work in progress	-	-	-	-
Disposals	-	-	-	-
Valuation gains	24.3	-	10.2	34.5
Valuation losses	(122.1)	(3.2)	(14.5)	(139.8)
Net valuation losses	(97.8)	(3.2)	(4.3)	(105.3)
Carrying value and market value at 30 Jun 2020	**3,317.2**	**107.5**	**458.0**	**3,882.7**

The fair value of the Group's wholly owned properties and the movements in the carrying value of the Group's wholly owned properties during the year ended 31 December 2020 is shown in the following table:

31 December 2020

	Investment property (owned) £m	Investment property (leased) £m	Investment property under development £m	Total £m
At 1 January 2020	**3,406.9**	**110.4**	**411.8**	**3,929.1**
Cost capitalised	25.0	2.6	87.6	115.2
Interest capitalised	-	-	4.6	4.6
Transfer from investment property under development	312.6	-	(316.2)	-
Transfer from work in progress	-	-	-	-
Disposals	(9.8)	-	-	(9.8)
Valuation gains	56.5	-	6.4	62.9
Valuation losses	(176.5)	(11.2)	(10.6)	(198.3)
Net valuation losses	(120.0)	(11.2)	(4.2)	(135.4)
Carrying value and market value at 31 Dec 2020	**3,614.7**	**101.8**	**187.2**	**3,903.7**

3.1b Fair value measurement

All investment and development properties are classified as Level 3 in the fair value hierarchy.

Class of asset	6 months to 30 Jun 2021 £m	6 months to 30 Jun 2020 £m	31 Dec 2020 £m
London – Rental properties	812.9	1,014.8	1,137.0
Prime provincial – Rental properties	958.4	867.4	949.3
Major provincial – Rental properties	1,257.8	1,151.1	1,255.8
Other provincial – Rental properties	220.2	283.9	272.6
London – Development properties	199.8	255.5	158.8
Prime provincial – Development properties	33.1	95.3	25.6
Major provincial – Development properties	2.8	107.2	2.8
Other provincial – Development properties	-	-	-
Investment property (owned)	**3,485.0**	**3,775.2**	**3,801.9**
Investment property (leased)	**99.7**	**107.5**	**101.8**
Market value	**3,584.7**	**3,882.7**	**3,903.7**

The valuation technique for investment properties is a discounted cash flow using the following inputs: net rental income, estimated future costs, occupancy and property management costs.

Where the asset is leased to a University, the valuation also reflects the length of the lease, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the market's general perception of the lessee's credit worthiness.

The resulting valuations are cross-checked against the initial yields and the capital value per bed derived from actual market transactions.

For development properties, the fair value is usually calculated by estimating the fair value of the completed property (using the discounted cash flow method) less estimated costs to completion.

3.1c Quantitative information about fair value measurements using unobservable inputs (Level 3)

	Fair value £m	Valuation technique	Unobservable inputs	Range	Weighted average
London - Rental properties	812.9	Discounted cash flows	Net rental income (£ per week)	£191-£378	£289
			Estimated future rent (%)	2%-3%	3%
			Discount rate (yield) (%)	3.9%-4.9%	4.0%
Prime provincial - Rental properties	958.4	Discounted cash flows	Net rental income (£ per week)	£144-£235	£173
			Estimated future rent (%)	2%-3%	2%
			Discount rate (yield) (%)	4.0%-6.4%	4.8%
Major provincial - Rental properties	1,257.8	Discounted cash flows	Net rental income (£ per week)	£62-£174	£132
			Estimated future rent (%)	1%-3%	2%
			Discount rate (yield) (%)	4.6%-7.0%	5.7%
Other provincial - Rental properties	220.2	Discounted cash flows	Net rental income (£ per week)	£109-£187	£139
			Estimated future rent (%)	1%-3%	2%
			Discount rate (yield) (%)	5.0%-14.0%	6.8%
London - Development properties	199.8	Discounted cash flows	Estimated cost to complete (£m)	£56.6m-£146.6m	£99.4m
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	3.9%	3.9%
Prime provincial - Development properties	33.1	Discounted cash flows	Estimated cost to complete (£m)	£12.7m-£64.8m	£38.2m
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	4.3%	4.3%
Major provincial - Development properties	2.8	Discounted cash flows	Estimated cost to complete (£m)	£55.7m	£55.7m
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	-	-
	3,485.0				
Investment property (leased)	99.7	Discounted cash flows	Net rental income (£ per week)	£95-£185	£144
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	6.8%	6.8%
Fair value at 30 Jun 2021	**3,584.7**				

	Fair value £m	Valuation technique	Unobservable inputs	Range	Weighted average
London - Rental properties	1,014.8	Discounted cash flows	Net rental income (£ per week)	£190-£370	£291
			Estimated future rent (%)	2%-3%	3%
			Discount rate (yield) (%)	3.9%-5.0%	4.0%
Prime provincial - Rental properties	867.4	Discounted cash flows	Net rental income (£ per week)	£140-£229	£168
			Estimated future rent (%)	2%-3%	3%
			Discount rate (yield) (%)	4.0%-6.2%	4.8%
Major provincial - Rental properties	1,151.1	Discounted cash flows	Net rental income (£ per week)	£82-£162	£130
			Estimated future rent (%)	1%-3%	3%
			Discount rate (yield) (%)	4.7%-7.0%	5.8%
Other provincial - Rental properties	283.9	Discounted cash flows	Net rental income (£ per week)	£87-£188	£136
			Estimated future rent (%)	3%-4%	3%
			Discount rate (yield) (%)	5.0%-13.8%	6.8%
London - Development properties	255.5	Discounted cash flows	Estimated cost to complete (£m)	£21.5m-£86.2m	£58.6m
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	4.0%	4.0%
Prime provincial - Development properties	95.3	Discounted cash flows	Estimated cost to complete (£m)	£5.9m-£65.3m	£29.9m
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	4.3%-5.0%	4.7%
Major provincial - Development properties	107.2	Discounted cash flows	Estimated cost to complete (£m)	£7.8m-£45.9m	£22.6m
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	4.5%	4.5%
	3,775.2				
Investment property (leased)	107.5	Discounted cash flows	Net rental income (£ per week)	£129-£185	£147
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	6.8%	6.8%
Fair value at 30 Jun 2020	**3,882.7**				

	Fair value £m	Valuation technique	Unobservable inputs	Range	Weighted average
London - Rental properties	1,137.0	Discounted cash flows	Net rental income (£ per week)	£164-£370	£267
			Estimated future rent (%)	2%-3%	3%
			Discount rate (yield) (%)	3.9%-5.0%	4.0%
Prime provincial - Rental properties	949.3	Discounted cash flows	Net rental income (£ per week)	£140-£229	£169
			Estimated future rent (%)	2%-3%	3%
			Discount rate (yield) (%)	4.0%-6.2%	4.8%
Major provincial - Rental properties	1,225.8	Discounted cash flows	Net rental income (£ per week)	£82-£167	£132
			Estimated future rent (%)	1%-3%	2%
			Discount rate (yield) (%)	4.7%-7.0%	5.7%
Other provincial - Rental properties	272.6	Discounted cash flows	Net rental income (£ per week)	£87-£188	£136
			Estimated future rent (%)	1%-3%	2%
			Discount rate (yield) (%)	5.0%-13.8%	6.8%
London - Development properties	158.8	Discounted cash flows	Estimated cost to complete (£m)	£84.9m-£147.9m	£114.9m
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	4.0%	4.0%
Prime provincial - Development properties	25.6	Discounted cash flows	Estimated cost to complete (£m)	£19.1m-£65.3m	£40.8m
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	4.3%	4.3%
Major provincial - Development properties	2.8	Discounted cash flows	Estimated cost to complete (£m)	£45.5m	£45.5m
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	-	-
	3,81.9				
Investment property (leased)	101.8	Discounted cash flows	Net rental income (£ per week)	£129-£185	£147
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	6.8%	6.8%
Fair value at 31 Dec 2020	**3,903.7**				

Fair value sensitivity analysis

A decrease in net rental income or occupancy will result in a decrease in the fair value, whereas a decrease in the discount rate (yield) will result in an increase in fair value. There are inter-relationships between these rates as they are partially determined by market rate conditions.

Class of assets	Fair value at 30 Jun 2021	+5% change in estimated net rental income	-5% change in estimated net rental income	+25 bps change in nominal equivalent yield	-25 bps change in nominal equivalent yield
Rental properties (£m)					
London	812.9	858.3	777.5	769.9	872.4
Prime provincial	958.4	1,015.1	921.1	921.0	1020.4
Major provincial	1,257.8	1,331.9	1,205.9	1,215.7	1,327.2
Other provincial	220.2	234.1	211.8	214.6	232.0
Development properties					
London	199.8	209.5	174.1	178.3	208.4
Prime provincial	33.1	30.4	20.9	18.5	34.2
Major provincial	2.8	2.8	2.8	2.8	2.8
Market value	**3,485.0**	**3,682.1**	**3,314.1**	**3,320.8**	**3,697.4**

3.2 Inventories

	Unaudited 30 Jun 2021 £m	Unaudited 30 Jun 2020 £m	31 Dec 2020 £m
Interests in land	9.1	2.9	6.7
Other stocks	2.2	3.0	2.1
Inventories	**11.3**	**5.9**	**8.8**

3.3 Investments in joint ventures

The Group has two joint ventures:

Joint venture	Group's share of assets/results 2021 (December 2020)	Objective	Partner	Legal entity in which Group has interest
The UNITE UK Student Accommodation Fund (USAF)	23.4%* (23.4%)	Invest and operate student accommodation throughout the UK	Consortium of investors	UNITE Student Accommodation Fund, a Jersey Unit Trust
London Student Accommodation Venture (LSAV)	50% (50%)	Invest and operate student accommodation in London and Birmingham	GIC Real Estate Pte, Ltd Real estate investment vehicle of the Government of Singapore	LSAV Unit Trust, a Jersey Unit Trust, and LSAV (Holdings) Ltd, incorporated in Jersey

* Part of the Group's interest is held through a subsidiary, USAF (Feeder) Guernsey Ltd, in which there is an external investor. A minority interest therefore occurs on consolidation of the Group's results representing the external investor's share of profits and assets relating to its investment in USAF. The ordinary shareholders of The Unite Group plc are beneficially interested in 22.0% of USAF (30 June 2020: 22.0%, 31 December 2020: 22.0%).

3.3a Movement in carrying value of the Group's investments in joint ventures

The carrying value of the Group's investment in joint ventures has increased by £125.6 million during the 6 months ended 30 June 2021 (30 June 2020: £24.8 million decrease, 30 December 2020: £26.2 million decrease), resulting in an overall carrying value of £974.6 million (30 June 2020: £850.4 million, 30 December 2020: £849.0 million). The following table shows how the increase has arisen.

	Unaudited 6 months to 30 Jun 2021 £m	Unaudited 6 months to 30 Jun 2020 £m	Year to 31 Dec 2020 £m
Recognised in the income statement:			
Operations segment result	15.8	18.6	23.7
Minority interest share of Operations segment result	0.5	0.6	0.6
Management fee adjustment relating to trading with joint venture	1.8	3.3	6.3
Net revaluation gains/(losses)	21.8	(33.1)	(41.5)
Loss on disposal of properties	(0.7)	-	-
Other	(0.6)	(0.3)	(0.7)
	38.6	**(10.9)**	**(11.6)**
Recognised in equity:			
Movement in effective hedges	0.2	(0.2)	(0.1)
Other adjustments to the carrying value:			
Profit adjustment related to trading with joint venture	(1.8)	(3.4)	(6.3)
Profit adjustment related to the sale of properties to LSAV	(3.6)	-	-
Additional capital invested in LSAV	131.2	-	7.5
LSAV performance fee	(15.7)	-	(5.7)
Distributions received	(23.3)	(10.3)	(10.0)
Increase/(decrease) in carrying value	**125.6**	**(24.8)**	**(26.2)**
Carrying value brought forward	849.0	875.2	875.2
Carrying value carried forward	**974.6**	**850.4**	**849.0**

3.3b Transactions with joint ventures

The Group acts as asset and property manager for the joint ventures and receives management fees in relation to these services. In addition, the Group is entitled to performance fees from USAF and LSAV, if the joint ventures outperform certain benchmarks. The Group receives either cash or an enhanced equity interest in the Joint Ventures as consideration for the performance fee.

During the period the Group sold two properties to LSAV for gross proceeds totalling £342m. As part of this disposal, one property was sold subject to an upward only contingent consideration of up to £20m dependent on property valuation movements up to September 2023.

The Group has recognised the following fees in its results for the period.

	Unaudited 6 months to 30 Jun 2021 £m	Unaudited 6 months to 30 Jun 2020 £m	Year to 31 Dec 2020 £m
USAF	8.0	7.7	13.5
LSAV	1.8	3.3	6.6
Asset and property management fees	**9.8**	**11.0**	**20.1**
LSAV performance fee	31.4	-	11.4
Investment management fees	**31.4**	**-**	**11.4**
Total fees	**41.2**	**11.0**	**31.5**

On an EPRA basis, fees from joint ventures are shown net of the Group's share of the cost to the joint venture.

The Group's share of the cost to the joint ventures is £1.6 million (30 June 2020: £3.3 million, 31 December 2020: £6.1 million), which results in asset and property management fees from joint ventures of £8.2 million (30 June 2020: £7.7 million, 31 December 2020: £14.0 million) being shown in the Operations segment result in note 2.2a.

The Group's share of the cost to the joint ventures is £15.7 million (30 June 2020: £nil, 31 December 2020: £5.7 million), which results in investment management fees from joint ventures of £15.7 million (30 June 2020: £nil, 31 December 2020: £5.7 million) which are included within the unallocated to segments section in note 2.2a.

Section 4: Funding

The Group finances its development and investment activities through a mixture of retained earnings, borrowings and equity. The Group continuously monitors its financing arrangements to manage its gearing.

Interest rate swaps are used to manage the Group's risk to fluctuations in interest rate movements.

The following pages provide disclosures about the Group's funding position, including borrowings and hedging instruments.

4.1 Borrowings

The table below analyses the Group's borrowings which comprise bank and other loans by when they fall due for payment:

	Unaudited 30 Jun 2021 £m	Unaudited 30 Jun 2020 £m	31 Dec 2020 £m
Current			
In one year or less, or on demand	-	1.4	-
Non-current			
In more than one year but not more than two years	496.8	1.5	795.9
In more than two years but not more than five years	297.6	1,246.0	297.3
In more than five years	718.7	567.9	568.6
	1,513.1	1,815.4	1,661.8
Unamortised fair value of debt recognised on acquisition	26.0	30.2	28.1
Total borrowings	**1,539.1**	**1,847.0**	**1,689.9**

The carrying value of borrowings is considered to be approximate to fair value, except for the Group's fixed rate loans as analysed below:

	Unaudited 30 Jun 2021		Unaudited 30 Jun 2020		31 Dec 2020	
	Carrying value £m	Fair value £m	Carrying value £m	Fair value £m	Carrying value £m	Fair value £m
Level 1 IFRS fair value hierarchy	901.0	952.6	905.3	888.3	903.1	932.2
Level 2 IFRS fair value hierarchy	150.0	141.2	206.6	216.4	-	-
Other loans and unamortised arrangement fees	488.1	488.1	735.1	735.1	786.8	786.8
Total borrowings	**1,539.1**	**1,581.9**	**1,847.0**	**1,839.8**	**1,689.9**	**1,719.0**

4.2 Interest rate swaps

The Group uses interest rate swaps to manage the Group's exposure to interest rate fluctuations. In accordance with the Group's treasury policy, the Group does not hold or issue interest rate swaps for trading purposes and only holds swaps which are considered to be commercially effective.

The following table shows the fair value of interest rate swaps:

	Unaudited 30 Jun 2021 £m	Unaudited 30 Jun 2020 £m	31 Dec 2020 £m
Current	–	–	5.8
Non-current	4.4	24.6	17.8
Fair value of interest rate swaps liability	**4.4**	**24.6**	**23.6**

The fair values of interest rate swaps have been calculated by a third party expert, discounting estimated future cash flows on the basis of market expectations of future interest rates, representing Level 2 in the IFRS 13 fair value hierarchy.

4.3 Dividends

During the 6 months to 30 June 2021, the Company declared and paid a final gross dividend of £42.5 million, 12.75p per share (30 June 2020: The Company cancelled the proposed 2019 final dividend and did not pay an interim 2020 dividend).

Under the terms of the Company's scrip dividend scheme, shareholders were able to elect to receive ordinary shares in place of the 2020 final dividend of 12.75p per ordinary share. This resulted in the issue of 746,379 new fully paid shares.

After the period end, the Directors proposed an interim dividend of 6.5p per share (30 June 2020: Nil). No provision has been made in relation to this dividend.

The Group has modelled tax adjusted property business profits for 2020 and 2021 and the PID requirement in respect of the year ended 31 December 2020 is expected to be satisfied by the end of 2021.

Section 5: Working capital

5.1 Provisions

During 2020, and in accordance with the Government's Building Safety Advice of 20 January 2020, we undertook a thorough review of the use of High-Pressure Laminate (HPL) cladding on our properties. We have identified 22 properties with HPL that needs replacing across our estate, four of which are wholly owned. We are currently carrying out replacement works for properties with HPL cladding, with activity prioritised according to our risk assessments, starting with those over 18 metres in height. We have continued to review our properties and undertake replacement works throughout 2021.

The overall remaining cost of replacing the HPL cladding is expected to be £96.4 million (Unite Share: £45.2 million), of which £27.7 million is in respect of wholly owned properties. Whilst the overall timetable for these works is uncertain, we anticipate this will be incurred over the next 3 years. The regulations continue to evolve in this area and we will ensure that our buildings are safe for occupation and compliant with laws and regulations.

The Group has recognised provisions for the costs of these cladding works as follows:

	Gross				Unite share			
	Wholly owned £m	USAF £m	LSAV £m	Total £m	Wholly owned £m	USAF £m	LSAV £m	Total £m
At 1 Jan 2020	-	1.4	-	1.4	-	0.4	-	0.4
Additions	-	11.8	7.2	19.0	-	2.6	3.6	6.2
Utilisation	-	(1.2)	-	(1.2)	-	(0.2)	-	(0.2)
At 30 Jun 2020	-	12.0	7.2	19.2	-	2.8	3.6	6.4
Additions	16.0	38.8	7.2	62.0	16.0	8.4	3.6	28.0
Utilisation	(0.3)	(0.8)	(0.2)	(1.3)	(0.3)	(0.2)	(0.1)	(0.6)
At 31 Dec 2020	15.7	50.0	14.2	79.9	15.7	11.0	7.1	33.8
Additions	12.0	16.7	-	28.7	12.0	3.6	-	15.6
Utilisation	-	(6.8)	(5.4)	(12.2)	-	(1.5)	(2.7)	(4.2)
At 30 Jun 2021	**27.7**	**59.9**	**8.8**	**96.4**	**27.7**	**13.1**	**4.4**	**45.2**

Section 6: Post balance sheet events

On 26 July 2021, after the balance sheet date but before the approval of these financial statements, the Group exchanged contracts on the purchase of Meridian Square, a new c. 1,000-bed development site in London, for a minimum price of £56.3 million subject to planning consent.

Section 7: Alternative performance measures

The Group uses alternative performance measures ("APMs"), which are not defined or specified under IFRS. These APMs, which are not considered to be a substitute for IFRS measures, provide additional helpful information. APMs are consistent with how business performance is planned, reported and assessed internally by management and the Board, and provide comparable information across the Group. The APMs below have been calculated on a see through / Unite share basis, as referenced to the notes to the financial statements. Reconciliations to equivalent IFRS measures are included in notes 2.2b and 2.3c. Definitions can also be found in the glossary.

	Note	6 months to 30 Jun 2021 £m	6 months to 30 Jun 2020 £m	Year to 31 Dec 2020 £m
EBIT				
Net operating income (NOI)	2.2a	111.1	117.4	180.3
Management fees	2.2a	8.2	7.7	14.0
Operating expenses	2.2a	(13.0)	(14.1)	(30.9)
		106.3	**111.0**	**163.4**
EBIT margin %				
Rental income	2.2a	152.9	154.9	263.2
EBIT	7	106.2	111.0	163.4
		69.5%	**71.7%**	**62.1%**
EBITDA				
Net operating income (NOI)	2.2a	111.1	117.4	180.3
Management fees	2.2a	8.2	7.7	14.0
Operating expenses	2.2a	(13.0)	(14.1)	(30.9)
Depreciation and amortisation		3.8	3.7	8.4
		110.1	**114.7**	**171.8**

	Note	30 Jun 2021 £m	30 Jun 2020 £m	31 Dec 2020 £m
Net debt				
Cash	2.3a	553.4	594.2	391.0
Debt	2.3a	(2,053.7)	(2,282.3)	(2,132.8)
Net debt		**(1,500.3)**	**(1,688.1)**	**(1,741.9)**

	12 months to 30 Jun 2021 £m	12 months to 30 Jun 2020 £m	Year to 31 Dec 2020 £m
Net debt (adjusted)			
Cash	482.4[1]	240.6	391.0
Debt (adjusted)	(2,150.4)	(1,631.5)	(2,132.8)
Net debt (adjusted)	**(1,668.0)**[2]	**(1,390.9)**	**(1,741.8)**

1 Calculated on a 12 month look back basis. Average of £553.4 million and £391.0 million in respect of H1 2021 and £391.0 million and £594.2 million in respect of H2 2020.

2 Calculated on a 12 month look back basis. Average of £1,500.3 million and £1,741.8 million in respect of H1 2021 and £1,741.8 million and £1,688.1 million in respect of H2 2020.

	Note	12 months to 30 Jun 2021 £m	12 months to 30 Jun 2020 £m	Year to 31 Dec 2020 £m
Net debt: EBITDA (adjusted)				
Net debt	7	(1,668.0)	(1,390.9)	(1,741.8)
EBITDA	7	167.2[3]	190.7	171.8
Ratio		**10.0**	**7.3**	**10.1**

3 Calculated on a 12 month look back basis. £110.1 million in respect of H1 2021 and £57.1 million in respect of H2 2020.

		6 months to 30 Jun 2021 £m	6 months to 30 Jun 2020 £m	Year to 31 Dec 2020 £m
Interest cover (Unite share)				
EBIT	7	106.2	111.0	163.4
Net financing costs	2.2a	(28.4)	(29.1)	(56.1)
Interest on lease liability	2.2a	(4.2)	(4.4)	(8.8)
Total interest		**(32.6)**	**(33.5)**	**(64.9)**
Ratio		**3.3**	**3.4**	**2.5**

Reconciliation: EPRA earnings to IFRS loss before tax

	Note	6 months to 30 Jun 2021 £m	6 months to 30 Jun 2020 £m	Year to 31 Dec 2020 £m
IFRS profit/(loss) before tax		**130.4**	**(73.9)**	**(120.1)**
Net valuation (gains)/losses on investment property (owned)	2.2b	(54.3)	135.2	165.7
Property disposals (owned)	2.2b	11.7	0.5	1.9
Net valuation losses on investment property (leased)	2.2b	2.6	3.2	11.2
Integration costs	2.2b	-	8.1	9.2
Amortisation of fair value of debt recognised on acquisition	2.2b	(2.2)	(2.2)	(4.3)
Changes in valuation of interest rate swaps	2.2b	(3.0)	-	5.8
Debt exit costs	2.2b	1.5	5.6	30.1
Minority interest and tax		1.6	(1.7)	(2.2)
EPRA Earnings		**88.3**	**74.8**	**97.3**
LSAV performance fee	2.4	(15.7)	-	(5.7)
Adjusted Earnings		**72.6**	**74.8**	**91.6**

An adjusted earnings measure is also presented, which excludes the impact of the LSAV performance fee, in order to present earnings from ongoing operations on a consistent basis.

EPRA Performance Measures

Summary of EPRA performance measures

	30 Jun 2021 £m	31 Dec 2020 £m	30 Jun 2021 pps	31 Dec 2020 pps
EPRA Earnings	**88.3**	97.3	**22.2p**	25.5p
Adjusted Earnings	**72.6**	91.6	**18.1p**	24.0p
EPRA NTA	**3,357.0**	3,271.0	**837p**	818p
EPRA NRV	**3,622.1**	3,601.9	**904p**	901p
EPRA NDV	**3,299.7**	3,180.7	**823p**	796p
EPRA Cost ratio (including vacancy costs)			31%	40%
EPRA Cost ratio (excluding vacancy costs)			28%	36%

EPRA like-for-like rental income

	Properties owned throughout the period £m	Development property £m	Acquisitions and disposals £m	Total Rental income £m
6 months to 30 Jun 2021				
Rental income	142.3	8.7	1.9	152.9
Property operating expenses	(39.8)	(1.3)	(0.7)	(41.8)
Net rental income	**102.5**	**7.4**	**1.2**	**111.1**
6 months to 30 Jun 2020				
Rental income	150.3	-	4.6	154.9
Property operating expenses	(36.0)	-	(1.5)	(37.5)
Net rental income	**114.3**	**-**	**3.1**	**117.4**
Like-for-like gross rental income	**(5.3)%**			
Like-for-like net rental income	**(10.2)%**			

EPRA Cost ratio	6 months to 30 Jun 2021 £m	Year to 31 Dec 2020 £m
Property operating expenses	31.3	61.9
Operating expenses	12.6	30.1
Development / pre contract costs	1.0	2.2
Unallocated expenses (*)	(0.4)	3.2
	44.5	**97.4**
Share of JV property operating expenses	10.5	21.0
Share of JV operating expenses	0.4	0.8
Share of JV unallocated expenses (*)	0.5	0.4
	55.9	**119.6**
Less: Joint venture management fees	(8.2)	(14.0)
Total costs (A)	**47.7**	**105.6**
Group vacant property costs (**)	(3.7)	(7.4)
Share of JV vacant property costs (**)	(1.3)	(2.5)
Total costs excluding vacant property costs (B)	**42.7**	**95.7**
Rental income	116.8	196.1
Share of JV rental income	36.1	67.1
Total gross rental income (C)	**152.9**	**263.2**
Total EPRA cost ratio (including vacant property costs) (A)/(C)	**31%**	**40%**
Total EPRA cost ratio (excluding vacant property costs) (B)/(C)	**28%**	**36%**

* Excludes amounts in respect of the LSAV performance fee.

** Vacant property costs reflect the per bed share of operating expenses allocated to vacant beds

Unite's EBIT margin excludes non-operational expenses which are included within the EPRA cost ratio above.

EPRA Valuation movement (Unite share)

	Valuation £m	Change £m	%
Wholly owned	3,249	36	1.2%
USAF	616	12	1.9%
LSAV	683	21	3.2%
Rental properties	**4,548**	**69**	**1.5%**
Leased properties	100		
Properties under development	236		
Properties held throughout the period	**4,884**		
Acquisitions	-		
Disposals to LSAV	168		
Total property portfolio	**5,052**		

EPRA Yield movement

	NOI yield	Yield movement (bps)
	%	H1
Wholly owned	5.1%	(2)
USAF	5.3%	(1)
LSAV	4.3%	(3)
Rental properties (Unite share)	**5.0%**	**(2)**

Property related capital expenditure

	30 Jun 2021			31 Dec 2020		
	Wholly owned	Share of JVs	Group share	Wholly owned	Share of JVs	Group share
Acquisitions	-	-	-	-	-	-
Developments	35	-	35	88	-	88
Rental properties	3	1	4	25	23	48
Other	2	-	2	5	-	5
Total property related capex	**40**	**1**	**41**	**118**	**23**	**141**

INDEPENDENT REVIEW REPORT TO THE UNITE GROUP PLC

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in shareholders' equity, the consolidated cash flow statement and related sections 1 to 7. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in section 1, the annual financial statements of the company will be prepared in accordance with United Kingdom adopted International Financial Reporting Standards. The condensed set of financial statements included in this half-yearly financial report have been prepared in accordance with the accounting policies the company intends to use in preparing its next annual financial statements.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Use of our report

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
London, United Kingdom
27 July 2021

GLOSSARY

Adjusted net debt
The Group's debt, net of cash and unamortised debt raising costs, excluding the mark to market of interest rates swaps.

Adjusted earnings
In 2021, in consideration of EPRA's focus on recurring income, an adjusted earnings is reported excluding the impact of the LSAV performance fee income from EPRA earnings.

Basis points (BPS)
A basis point is a term used to describe a small percentage, usually in the context of change, and equates to 0.01%.

Direct let
Properties where short-hold tenancy agreements are made directly between Unite and the student.

EBIT
The Group's NOI plus management fees and less operating expenses.

EBITDA
The Group's EPRA earnings before charging interest, tax, depreciation and amortisation. The profit number is used to calculate the ratio to net debt.

EBIT margin
The Group's EBIT expressed as a percentage of rental income.

EPRA
The European Public Real Estate Association, who produce best practice recommendations for financial reporting.

EPRA earnings
EPRA earnings exclude movements relating to changes in values of investment properties and interest rate swaps and the related tax effects.

EPRA earnings per share
The earnings per share based on EPRA earnings.

EPRA Net Tangible Assets (NTA)
EPRA NTA includes all property at market value but excludes the mark to market of financial instruments, deferred tax and intangible assets. EPRA NTA provides a consistent measure of tangible net asset value on a going concern basis.

EPRA Net Tangible Assets per share
The diluted NTA per share figure based on EPRA NTA.

EPRA Net Reinstatement Value (NRV)
EPRA NRV includes all property at market value but excludes the mark to market of financial instruments, deferred tax and real estate transfer tax. EPRA NRV assumes that entities never sell assets and represents the value required to rebuild the entity

EPRA Net Disposal Value (NDV)
EPRA NDV includes all property at market value, excludes the mark to market of financial instruments, but includes the fair value of fixed interest rate debt and the carrying value of intangible assets. EPRA NDV represents the shareholders' value in a disposal scenario.

EPRA Net Initial Yield (NIY)
The net operating income generated by a property expressed as a percentage of its value, taking into account notional acquisition costs.

EPRA Vacancy Rate
The ratio of the estimated market rental value of vacant spaces against the estimated market rental value of the entire property portfolio (including vacant spaces).

EPRA Cost Ratio
The ratio of net overheads and operating expenses against gross rental income.

ESG
Environmental, Social and Governance.

GRESB
GRESB is a benchmark of the Environmental, Social and Governance (ESG) performance of real assets.

Gross asset value
Rental properties, plus leased properties and development properties. GAV is reported on a fair value basis.

Gross financing costs
All interest paid by the Group, including those capitalised into developments and operating lease rentals. It includes all receipts and payments under interest rate swaps whether they are effective or ineffective under IFRS.

The Group
Wholly owned balances plus Unite's interests relating to USAF and LSAV.

Group debt
Wholly owned borrowings plus Unite's share of borrowings attributable to USAF and LSAV.

Interest cover ratio (ICR)
Calculated as EBIT divided by the sum of net financing costs and IFRS 16 lease liability interest costs.

Lease
Properties which are leased to Universities for a number of years.

Like-for-like rental growth
Like-for-like rental growth is the growth in gross rental income on properties owned throughout the current and previous years under review.

Loan to value (LTV)
Net debt as a proportion of the carrying value of the total property portfolio, excluding balances recognised in respect of leased properties under IFRS 16.

LSAV
The London Student Accommodation Joint Venture (LSAV) is a joint venture between Unite and GIC, in which both hold a 50% stake. LSAV has a maturity date of September 2032.

Major Provincial
Properties located in Aberdeen, Birmingham, Cardiff, Durham, Glasgow, Leeds, Leicester, Liverpool, Newcastle, Nottingham, Sheffield and Southampton.

Net debt
Group debt, net of cash and unamortised debt issue costs, excluding IFRS 16 investment property (leased) and associated lease liabilities.

Net debt: EBITDA
Net debt as a proportion of EBITDA.

Net financing costs (EPRA)
Gross financing costs net of interest capitalised into developments and interest received on deposits.

Net operating income (NOI)
The Group's rental income from rental properties (owned and leased) less those operating costs directly related to the property, therefore excluding central overheads.

NOI margin
The Group's NOI expressed as a percentage of rental income.

Nomination agreements
Agreements at properties where Universities have entered into a contract to reserve rooms for their students, usually guaranteeing occupancy. The Universities usually either nominate students to live in the building and Unite enters into short-hold tenancies with the students or the University enters into a contract with Unite and makes payment directly to Unite.

Other provincial
Properties located in Bedford, Bournemouth, Coventry, Loughborough, Medway, Portsmouth, Reading and Swindon.

Prime provincial
Properties located in Bristol, Bath, Edinburgh, Manchester and Oxford.

Rental properties
Investment properties whose construction has been completed and are used by the Operations segment to generate NOI.

Rental properties (leased) / Sale and leaseback
Properties that have been sold to a third party investor then leased back to the Group. Unite is also responsible for the management of these assets on behalf of the owner.

See-through (also Unite share)
Wholly owned balances plus Unite's share of balances relating to USAF and LSAV.

TCFD
The Taskforce on Climate-related Financial Disclosures develops voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders.

Total accounting return
Growth in EPRA NTA per share plus dividends paid, expressed as a percentage of EPRA NTA per share at the beginning of the period.

Total shareholder return
The growth in value of a shareholding over a specified period, assuming dividends are reinvested to purchase additional shares.

USAF/the fund
The Unite UK Student Accommodation Fund (USAF) is Europe's largest fund focused purely on income-producing student accommodation investment assets.

The fund is an open-ended infinite life vehicle with unique access to Unite's development pipeline. Unite acts as fund manager for the fund, as well as owning a significant minority stake.

WAULT
Weighted average unexpired lease term to expiry.

Wholly owned
Balances relating to properties that are 100% owned by The Unite Group plc or its 100% subsidiaries.

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