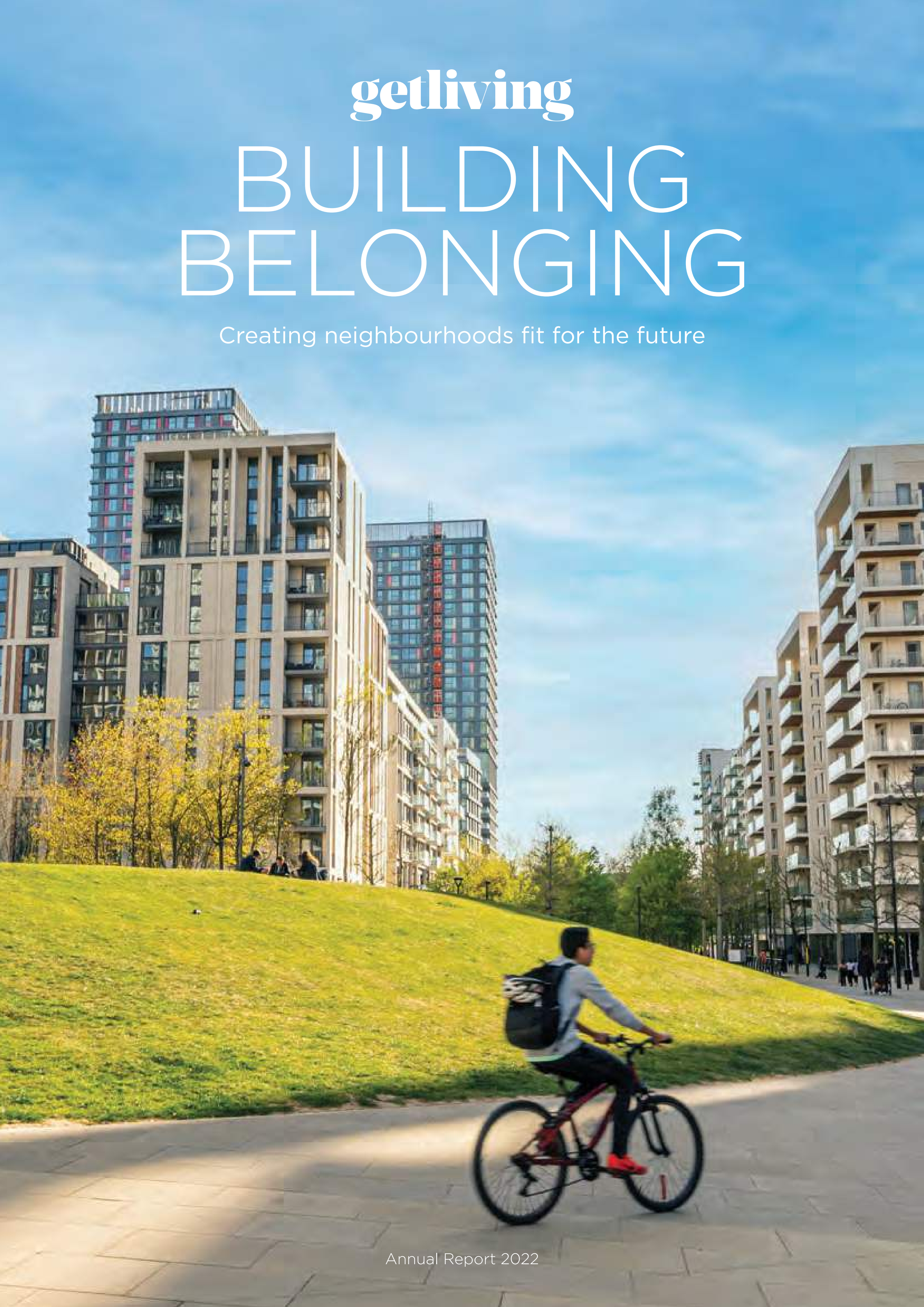
getliving

BUILDING BELONGING

Creating neighbourhoods fit for the future



Annual Report 2022


COME
DINE
WITH
US

NEIGHBOURHOODS THAT BRING PEOPLE TOGETHER

We give people the freedom to live in sustainable, vibrant neighbourhoods. Places that bring people together in communities where everyone can belong.

STRATEGIC REPORT

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

FURTHER INFORMATION

Throughout this Annual Report certain industry terms and alternative performance measures are used, see Glossary and Business review for full explanation on Non-IFRS Measures and reconciliations of alternative performance measures to IFRS numbers.

At a glance

VIBRANT COMMUNITIES WHERE EVERYONE CAN BELONG

What we do

Get Living is a leading provider of high quality homes for rent, committed to creating neighbourhoods where people can thrive, come together and know they belong. We are for people who value not just a great home in a distinctive neighbourhood, but also the opportunity to connect with others in a welcoming community.

We create exceptional neighbourhoods and we build them at scale. From design to delivery we are inspired by bringing people together in places where they have the space to breathe. We are a pioneering business with a goal to deliver a resident proposition with the best in choice, service and environment, thereby delivering strong returns for our shareholders.

Get Living was founded in 2013 with the UK's first large-scale build-to-rent neighbourhood at East Village, Stratford. Today, we have almost 4,000 homes across three neighbourhoods in London and Manchester, with a planned pipeline that will see the business grow to over 10,000 homes across the UK.

Our vision

At Get Living, it's our vision to offer people a better way to live and rent in sustainable, vibrant communities that build belonging, nurture togetherness, and create opportunity.

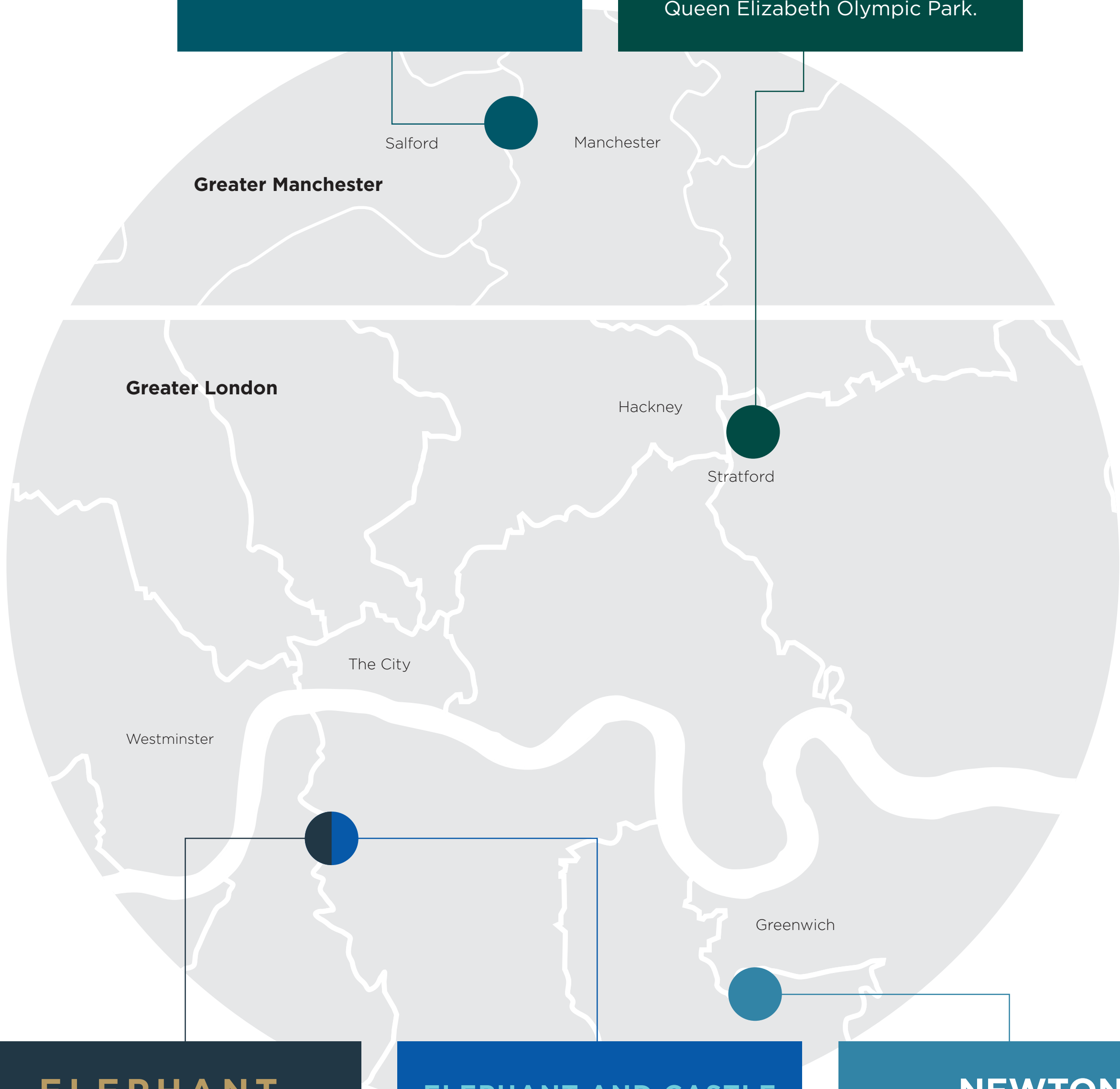
OUR NEIGHBOURHOODS

NEW MAKER YARDS

New Maker Yards offers canal-side living just minutes from Manchester and Salford's vibrant centres.

east village london E20

Our first and flagship neighbourhood, East Village, is a vibrant 67-acre community on the doorstep of Queen Elizabeth Olympic Park.



ELEPHANT CENTRAL

In London's zone 1, Elephant Central sits at the heart of the wider Elephant and Castle regeneration area and is perfectly placed for city living.

ELEPHANT AND CASTLE TOWN CENTRE

The new town centre will deliver close to 500 new homes and the rejuvenation of what is already one of London's most dynamic and vibrant areas.

NEWTON PLACE

Get Living's third London neighbourhood will be a transformational scheme for this well-connected South London hub.

Portfolio overview

BRILLIANT URBAN NEIGHBOURHOODS

Location
London E20

Homes
2,445

Commercial space
134,140 sq ft

Launched in
2013

› Read more on pages 20 and 21

Location
Elephant and Castle, London

Homes
652

Commercial space
65,659 sq ft

Launched in
2017

› Read more on pages 22 and 23

Location
Salford, Manchester

Homes
821

Commercial space
11,657 sq ft

Launched in
2019

› Read more on pages 24 and 25

NEW MAKER YARDS

...WITH MORE TO COME

NEWTON PLACE

Location
Lewisham, London

Commercial space
87,328 sq ft

Homes
649

Launching in
2023

› Read more on page 26

ELEPHANT AND CASTLE TOWN CENTRE

Location
Elephant and Castle, London

Commercial space
181,034 sq ft

Homes
485

Launching in
2026

› Read more on page 27

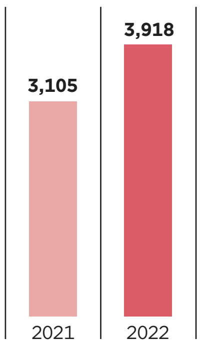
Highlights

CONTINUED GROWTH

Homes

3,918

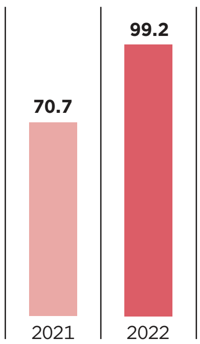
▲ 26.2%



Revenue (£m)

£99.2m

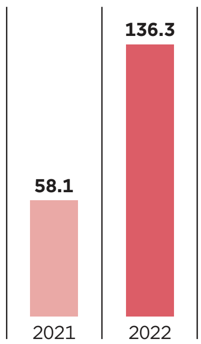
▲ 40.3%



Net profit (£m)

£136.3m

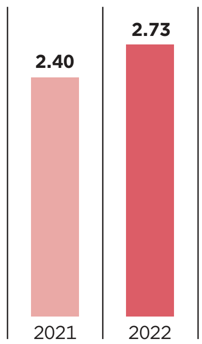
▲ 134.6%



Portfolio value (£bn)

£2.73bn

▲ 13.8%



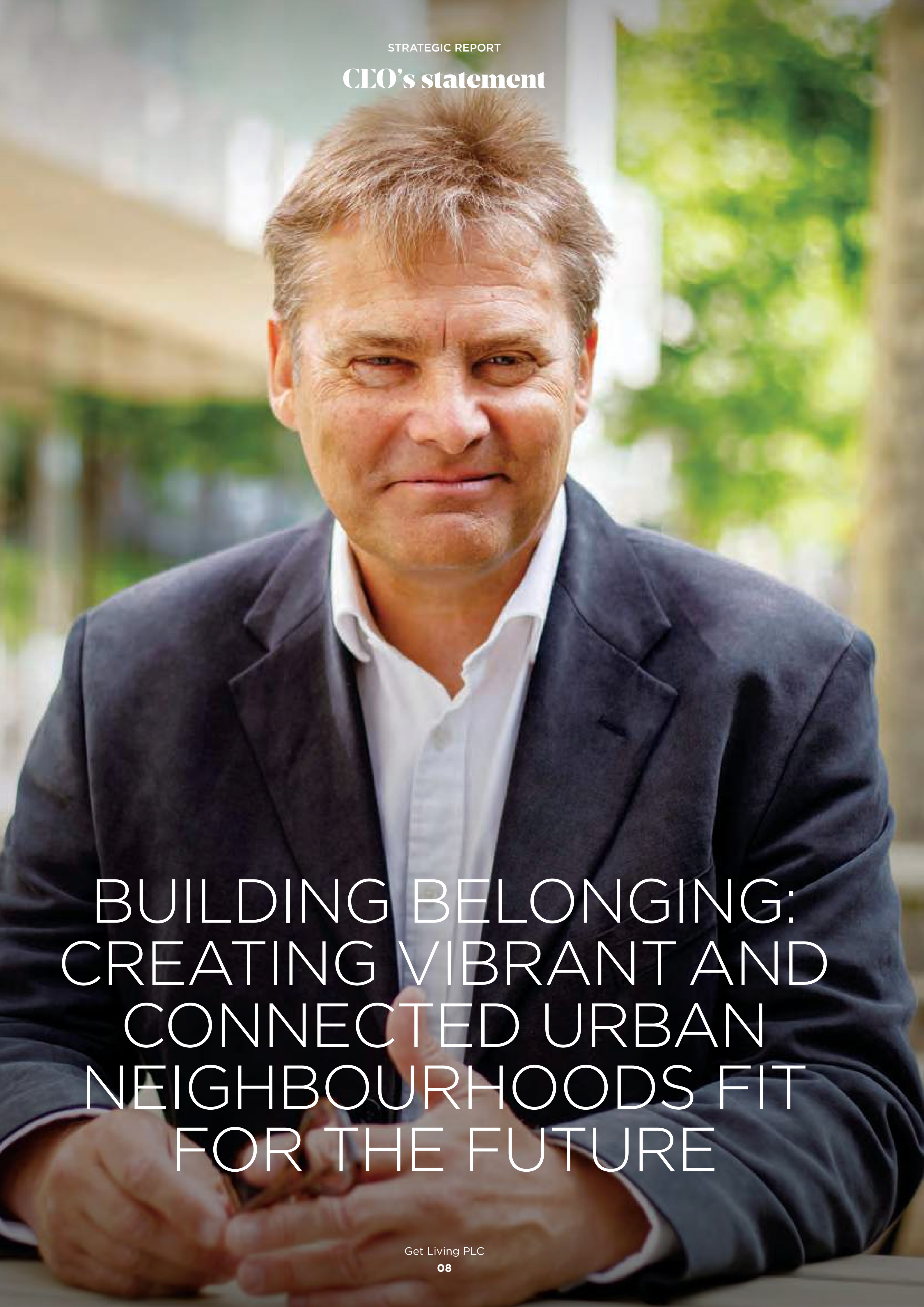
Financial and operational

- In June 2022, 289 further homes were launched at New Maker Yards, increasing our total homes to 821 in Middlewood Locks, Salford
- Portlands Place opened its doors in August 2022, adding 524 new homes to the heart of East Village
- Strong rental demand and the launch of new homes in Salford and East Village drove an increase in gross revenue to £99.2m, up 40.3%
- A strong performance across the business saw net profit increase 134.6% to £136.3m
- Underpinning the financial results are operational efficiencies and a continued focus on cost management
- The balance sheet is robust with £1.51bn (2021: £1.33bn) of net assets, 47.2% (2021: 46.2%) aggregate Loan to Value and weighted average maturity of debt is 6.5 years (2021: 7.8 years)
- The Group has identified pipeline opportunities in Leeds, Maidenhead, Birmingham and Leatherhead giving access to a pool of potential investments within the private rented sector
- Get Living was shortlisted for the BtR Specialist Award at the EG Awards in November 2022

Environmental and social

- Get Living was awarded the top 5-star GRESB rating for the third year running for the operational portfolio in recognition of our sustainability performance
- We are working towards compliance with the recommendations of the UN's Task Force for Climate-related Financial Disclosures (TCFD) and in 2022 carried out a TCFD Gap Analysis
- In June 2022 three Get Living neighbourhoods featured in the HomeViews' Top 10 "best places to live" in the UK, as voted by our residents
- Inspiring East Village and Inspiring Elephant Community Funds both launched in 2022, supporting local projects and charitable causes
- Get Living Gives Back launched in 2022 with colleagues participating in group charitable initiatives in the communities in which we operate
- Throughout 2022 we partnered with our supply chain to innovate the lifecycle of domestic furniture and kickstart a circular economy business model

CEO's statement



BUILDING BELONGING: CREATING VIBRANT AND CONNECTED URBAN NEIGHBOURHOODS FIT FOR THE FUTURE

It is a mark of the progress and potential of Get Living that we are posting a positive set of results in this Annual Report for the year ended 31 December 2022. It is a point that merits emphasis because this has been a year characterised across the UK by a mild recovery in the winter and spring, a better summer followed by a disruptive autumn. Get Living showed resilience in the face of rapidly changing geo-political, domestic governmental, economic and consumer confidence circumstances. This reflects the strength of our portfolio of totemic destination assets, the platform we have built, the resident proposition we offer, the tireless work of our committed team and the professionalism of our investors whose support is resolute.

It is why we have referred to our Report as Building Belonging. It is based on the unrivalled expertise that Get Living has to create thriving neighbourhoods that bring people together in a way that kindles relationships, attachments and familiarity. This provides us with a powerful platform for the future.

The year 2022 saw us launch further significant new housing provision at East Village and at New Maker Yards, increasing the operational portfolio by 26%, taking us to just under 4,000 homes. At Lewisham, we will soon be launching 649 new homes and the construction of 485 homes is underway at Elephant and Castle Town Centre. Further pipeline developments are planned across the UK which significantly add to our portfolio.

The strategic proposition to investors of establishing an exemplary BtR portfolio and platform, providing high quality homes in vibrant neighbourhoods which is supported by commensurate service, is increasingly achieving the level of scale that remunerates shareholders with out-performing total returns and net profit. Further scale from here becomes more rewarding in terms of accretion.

“

A record year positions us well for further progress as we enter an exciting period of opportunity.”

The legacy of the pandemic has in no small way reminded us of the true value of connections and community, especially in big cities, where loneliness and the pursuit of wellbeing and purpose can be challenging. At a time when the UK is facing problems of workforce capacity, business investment and productivity, Get Living has a vital role to play in being part of the solution, providing inspiring homes and neighbourhoods which support high quality jobs and prospects in the local area.

It's not just where we live, but how we live. We are developing places for discovery, where togetherness, choice and exploration are central tenets of the Get Living proposition. It creates an opportunity for Get Living to be the defining creator of homes and neighbourhoods where people know they belong.

Financial Performance

Total revenues for the year to December 2022 reached £99.2m, up 40.3% on the previous year. Gross profit was £63.2m, up 37.7% for the same period. This translated into a gross margin of 63.7%. The year saw a significant revaluation uplift of the portfolio of £136.0m, which fed through to create an overall net profit of £136.3m.

These results are manifestations of a number of themes across the year. Demand for homes was high, but interestingly it was from a broader demographic and from people who were seeking more than just a home, endorsing our resident proposition about place, belonging and ambient well-being. Occupancy levels typically stabilised at over 98% and rent collection averaged at 97%. That fed through into rental growth ahead of expectations. Operating costs were a big focus and, notwithstanding the inflationary influences bearing down on all areas, cost per unit – the metric by which we manage direct costs – saw reductions. Central costs were held firm, deployed across a growing portfolio.

CEO's statement continued

Financial Performance continued

Capital expenditure included two mobilisations at Portlands Place in East Village and the final phase of New Maker Yards alongside identified asset management opportunities.

The debt arrangements across the Group closed 2022 with a weighted average maturity of 6.5 years and the average cost of debt was 3.2%. We are confident in our ability to refinance the debt facilities maturing in 2023 and 2024 which fund our Portlands Place and New Maker Yards assets. At a time of rapidly rising swap rates, the value of the Company's hedging instruments increased.

Finally, the December revaluation came at a time when all real estate assets were coming under pressure from macro headwinds. The BtR sector appears to have been among the most resilient and the Get Living portfolio one of the most resilient within that sector, validating once again the business model focused on major urban neighbourhoods in and around London and the principal UK cities.

Market outlook

The UK's structural shortage of housing is well documented. The Government's recent abandonment of its 300,000 p.a. target and its delays to an updated overall planning strategy, coupled with wider headwinds of build cost inflation and higher costs of debt, will lead to a significant under delivery of new homes for the foreseeable short-term. Activity within the for-sale housing market has slowed on the back of higher mortgage costs, the end of Help to Buy and receding prices. The delivery of new affordable housing stock by the Housing Association sector is also seeing a marked slowdown. Alongside that, the buy-to-let investor sector is experiencing an exodus in the face of increasingly onerous regulation and taxation.

The BtR sector has an important role to play in providing the housing that an increasingly wide demographic is seeking. As the UK looks to create the conditions for companies to grow and invest, in turn creating the conditions for the recruitment and retention of talent in well paid, productive and purposeful occupations, we will be heavily reliant on the younger generations to drive our future national prosperity. The mobility of this group is therefore both necessary and desirable, and the need for a great home in the urban centres where the jobs are located is essential.

The housing sector therefore is in transition, and in it lies opportunity. As the original pioneer, Get Living is well placed to expand its model and its operations to a much higher level on the back of a decade of experience and with the long-term capital that sits behind it. Resident preferences are changing, new formats are emerging and a desire for genuine quality of experience is sought after, all of which speaks to the unique Get Living proposition. Data from Trust for London shows that, in London alone, the population is expected to rise to 9.4 million in the next eight years, and 300,000 additional rental properties will be required according to JLL's London BtR Report. Our mission is to respond with the solution to the problem, with disciplined, well researched, innovative acquisitions and new developments.

2023 and 2024

The next twelve months will see Portlands Place and the final phase of New Maker Yards reach full stabilisation with occupancy of at least 95%. Combined with the stabilised assets in the rest of East Village, New Maker Yards and Elephant Central, our task is to consistently improve the value proposition for residents as we seek to attract new customers and retain existing ones. Lewisham will see the launch of 649 new homes at the end of 2023, including 119 new co-living studios and 106 affordable homes on a London Living Rent tenure. This will be above a new street of retail and food and beverage provision, together with a gym and six-screen cinema. This is another exciting moment when the Get Living model has its chance to be validated and further innovated.

In the background, we are also refreshing our technology suite and centralised customer hub, so that the business is fit for the significant increase in the number of operational homes. This will improve operational efficiency, customer experience, data analytics and risk management.

Looking further ahead, we have plans to expand our portfolio by a further 6,500 homes across the UK. This includes one of London's most significant regeneration schemes at Elephant and Castle Town Centre, the first phase of which is due to launch in 2026.

In terms of new pipeline, we anticipate that the opportunities we continually screen will convert into rewarding acquisitions towards the second half of 2023.

ESG as a force for good

Our ambitious ESG agenda is progressively becoming embedded into every area of our culture and operations for the benefit of our residents, our people, and ultimately for our investors in terms of shareholder value.

For the third year in a row, we were awarded a GRESB 5 Star rating for our standing portfolio against a benchmark which rises each year.

We are implementing the findings of the TCFD gap analysis, now giving rise to training on climate awareness, improved record keeping and updated policies for HR, development, strategy and risk management. New investment in metering hardware and consent workflows is improving the quality, reliability and efficiency of utility consumption data collections that underpin multiple energy and carbon disclosures.

We are also establishing the financial and operational impact of aligning existing neighbourhoods with the CRREM net zero pathway through retrofit works.

Finally

No annual review of the year would be complete without a sincere expression of gratitude to the many people who contribute to Get Living's success. To our residents, who entrust us to provide them with an opportunity to belong in our neighbourhoods, thank you for making them the communities that they are. To those within Get Living, bringing their passion, energy and professionalism to work every day, my profound appreciation for all your commitment and mutual support of each other in every collaboration. To our investors who support us with their capital, their wise counsel and their ambition, it is a privilege to serve you and the stakeholders you in turn look after.

At the time of writing, Australian superannuation fund Aware Super has recently exchanged with QD UK Holdings LP ("QD") to purchase their 22% stake in Get Living and join our group of investors. This means that we part ways with QD, one of our founding investors, who have played a pivotal role in the success of the company, from the early days of launching Get Living to where we are today. I would like to thank QD for their vision and their invaluable support and commitment to Get Living. In Aware Super, we are extremely privileged to have a long-term, purpose-driven and mature investor, and I look forward to working closely with their team. Aware Super's backing of Get Living is a huge vote of confidence in our business, which gives us real firepower to drive ambitious growth plans, in service to all our investors.

The year to December 2022 has been a confident set of results, but it is an important step in an exciting journey towards a wider vision and mission. It will see Get Living continue its successful growth, driven by the pursuit of enhanced business performance, creating a class-leading portfolio of neighbourhoods in which people can connect, thrive and belong, and as a culmination of that, rewarding shareholders with commensurate returns.

Rick de Blaby
CEO
27 April 2023

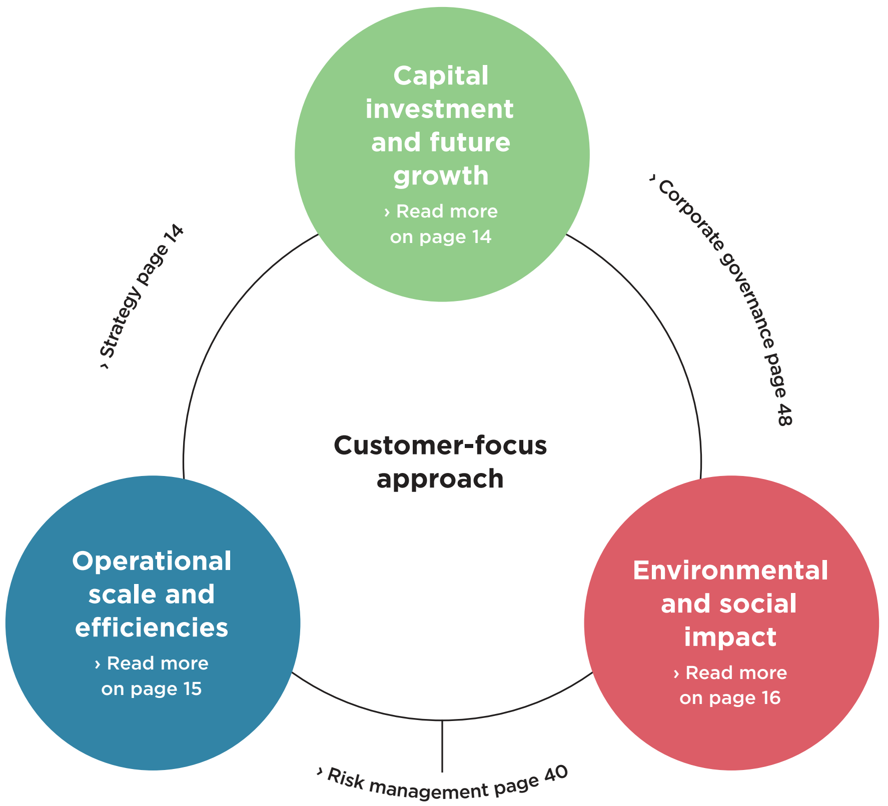
Business model

HOW WE CREATE VALUE

We create value by building the exemplar BtR platform, driven by a clear vision and mission, creating sustainable neighbourhoods that are fit for the future and delivering long-term investor returns.

Inputs

A clear vision and mission	Robust capital structure	Experienced and diverse workforce	Technology enabling analytics, data and research



Outputs

Sustainable neighbourhoods fit for the future	A compelling resident proposition underpinned by market insight	Innovation-driven teams thriving in a collaborative environment	Long-term capital and income returns for investors

Our purpose is to create places that are sustainable and vibrant, places where people belong

Strategy and KPIs

CAPITAL INVESTMENT AND FUTURE GROWTH

Grow the property portfolio by funding and acquiring high quality newly developed homes that provide secure income streams with the potential for rental growth and capital enhancement.

Total portfolio value (£bn)

£2.73bn*

2022	2.73*
2021	2.40
2020	2.03

KPI definition (non-IFRS)
The aggregate total value of the Group's property portfolio independently valued by CBRE in accordance with RICS valuation standards.

* Calculated in the Business review on pages 44 to 46.

Activity in 2022

- In June 2022, 289 further homes were launched at New Maker Yards, increasing our total homes to 821 in Middlewood Locks, Salford.
- Portlands Place opened its doors in August 2022, adding 524 new homes to the heart of East Village.
- We have continued to invest in the improvement of homes and neighbourhoods within our portfolio, with a refresh programme upgrading the quality of our existing homes in East Village.
- Ailish Christian-West was appointed as Chief Operating Officer in November, providing strategic leadership to portfolio management, development and ESG.

Looking forward

- Newton Place and Elephant and Castle Town Centre developments are well progressed, anticipating to launch in 2023 and 2026 respectively.
- The Group has identified pipeline opportunities in Leeds, Maidenhead, Birmingham and Leatherhead giving access to a pool of potential investments within the private rented sector.
- UK BtR sector fundamentals remain strong with continued demand for privately rented purpose built homes.

Average cost of debt (%)

3.2%

2022	3.2
2021	2.7
2020	2.5

KPI definition (non-IFRS)
Interest rate on loans, weighted by the amount borrowed relative to total borrowings.

OPERATIONAL SCALE AND EFFICIENCIES

Efficient and effective management of portfolio through our experienced and innovative team ensuring operating costs are controlled to gain efficiencies.

Net rental income (£m)

£62.6m*

2022	62.6*
2021	45.4
2020	35.5

KPI definition (non-IFRS)
Rental income net of direct property costs less management fees. Refer to page 43 for the reconciliation of net rental income.

* Calculated in the Business review on pages 44 to 46.

Activity in 2022

- The Customer Hub continued to provide centralised customer services to support all neighbourhoods.
- An in-house development team has been established bringing a wealth of experience and expertise of project management and construction.
- In June 2022 three Get Living neighbourhoods featured in the HomeViews' Top 10 "best places to live" in the UK, as voted by our residents.

Looking forward

- Focus on optimising the Group operating model to improve resident experience and reduce operating costs.
- Supporting our dynamic and diverse team, to continue working efficiently in a collaborative working culture.

Rental income growth (%)

19.5%

2022	19.5
2021	11.4
2020	2.1

KPI definition (non-IFRS)
Growth in rental income for properties held throughout the entire current period on a like-for-like basis.

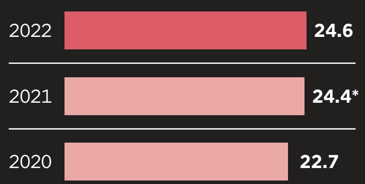
Strategy and KPIs continued

ENVIRONMENTAL AND SOCIAL IMPACT

Future proofing assets against emerging physical climate impacts, engaging with decarbonisation and supporting positive social outcomes.

Greenhouse gas emissions

24.6 (+1%)



KPI definition (non-IFRS)

Like-for-like/degree day adjusted intensity ($kgCO_2e/m^2$) based on all consuming assets owned for two consecutive years within the Group. See table 1 on page 38 for details.

* Historic data for 2021 is re-stated to reflect data quality improvements and like-for-like metrics reflect the revised historic data.

Activity in 2022

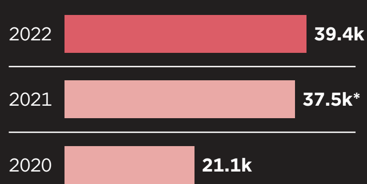
- Get Living was awarded the top 5-star GRESB rating for the third year running for the operational portfolio in recognition of our sustainability performance.
- Donations were made throughout the year to local projects, charities and initiatives in the communities in which we operate.
- We investigated the recommendations of the UN's Task Force for Climate-related Financial Disclosures (TCFD) and carried out a TCFD Gap Analysis.
- Energy efficiency improvements were brought forward to reduce landlord energy consumption through improved lighting specification and controls.
- We carried out a holistic review of our approach to energy consumption data, with a view to improving data quality and coverage, and reducing the operational costs of collating utility consumption readings.

Looking forward

- A new programme, run by Raeburn, will run in The Lab E20, London's new creative hub in East Village. Titled Regenerative by Design, the programme celebrates London's cultural innovation across climate action the circular economy.
- All three operational neighbourhoods and the new Lewisham development will launch Inspiring Community Funds to support local community projects.
- A new programme of resident events will take place to bring people together and encourage new connections.
- We plan to roll out energy efficiency works across multiple buildings and neighbourhoods.
- Our emerging ESG Data Strategy will improve visibility of occupant's consumption data and help close the performance gap between predicted and observed energy performance.

Energy usage

39.4k (+5%)



KPI definition (non-IFRS)

Like-for-like/degree day adjusted consumption (kWh in 000's) based on all consuming assets owned for two consecutive years within the Group. See table 2 on page 39 for details.

* Historic data for 2021 is re-stated to reflect data quality improvements and like-for-like metrics reflect the revised historic data.

UK BtR MARKET PROVING ITS RESILIENCE

28%
growth per annum over the last five years

4.3bn
investment in BtR in 2022

380,000
BtR homes in the UK by 2032

In 2022, despite political and economic headwinds, the UK BtR sector continued to break its own impressive records, driven by shortage of supply, growing rental demand for high quality homes and strong investor momentum.

Investment in the UK's BtR sector reached a record £4.3bn in 2022, with significant capital committed throughout the year and nearly £1bn in the last quarter alone.

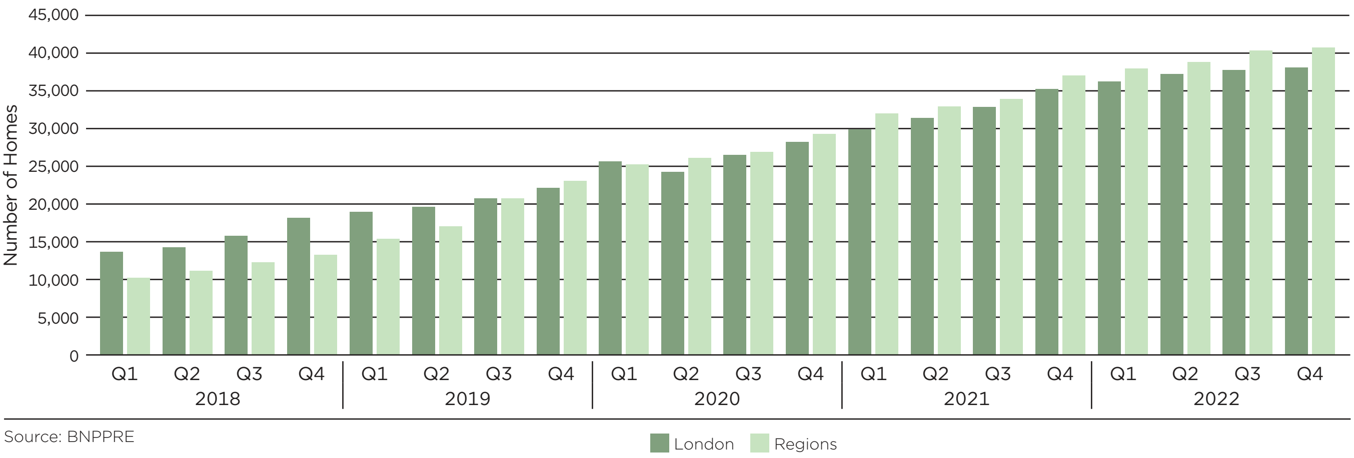
According to the British Property Federation (BPF), there are now over 242,000 BtR homes in the UK, up 14% from 2021. Of those, c.78,700 homes are complete, c.50,000 homes are under construction and c.113,400 homes are in planning. Regional BtR grew at almost double the pace of London (17% vs 9%) in the year. The last quarter of 2022 saw a slowdown in construction levels as a result of build cost inflation, labour shortages and wider economic uncertainty.

Zoopla's UK Rental Market Report, published in December 2022, saw rental growth come to 12.1% on a year-on-year basis, twice the average earnings growth for the same time frame. Meanwhile, in the for-sale market, there has been a fall in the number of new buyer enquiries, with demand falling by 23% in January 2023 compared to the five-year average. Rental demand is higher than ever, and for many residents, BtR is a more cost-effective and convenient solution than the private rental sector given the new build energy efficient homes and wider amenity offering that BtR offers.

Although, there is still a strong investment case for London BtR, investor focus has shifted to include key regional cities. One of the largest transactions in 2022 was £200m forward funding of One Eastside in Birmingham by Pension Insurance Corporate plc.

Due to the rising cost of debt and construction cost inflation, BtR investment yields trended weaker in the second half of 2022.

UK BtR continues to grow across the UK



Source: BNPPRE

Elevating the living experience

BPF's annual "Who Lives in BtR" report highlights that, despite rental inflation, the affordability of BtR remains significant when compared with the private rental sector. We anticipate that these considerations will become more important given economic and political headwinds.

The report stated that of the UK BtR providers, 88% offer social events, 81% offer a concierge, 69% include internet provision in rent, and 73% offer co-working spaces. As the world has emerged from two years of intermittent lockdowns, neighbourhoods which encourage and enable community interaction are increasingly attractive.

In 2022, a decade on from the London 2012 Olympics in Stratford, Get Living launched its newest development at East Village, Portlands Place, delivering 524 new homes at our flagship London site. This site epitomises a space designed to meet the expectations of modern residents, providing attractive homes, wellness amenities, flexible workspaces, and fostering a clear feeling of community.

There is also a demand from residents that the spaces they occupy reflect and enable their values, reflected in Get Living's neighbourhood, retail and placemaking strategy. Moving forward, we anticipate that sustainability and social impact will continue to form an important consideration within consumer decision making.

Get Living continues to leverage the value-add benefits of embedding sustainability and resident wellbeing into developments whilst aiming for best-in-class development in line with our ESG agenda and values.

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Looking ahead: the investment case for BtR

Looking to 2023, whilst there will be new challenges, the sustained acute supply and demand imbalance driven by a slower housing market due to fewer first-time buyers, PRS landlords exiting the market and hikes in mortgage costs will mean that demand for rental product is projected to remain strong. Continued rental growth over the year will see the sector retaining its allure for investors despite challenging economic conditions. However, sensitivity around the increased cost of living will be imperative for operators to retain the trust, provide affordable mid-market products and ensure the wellbeing of their residents.

High build cost inflation will continue to slow down new homes delivery over the medium to long term. Capital markets will remain subdued until the second half of 2023 due to outward pressure on yields, although some areas of distress will present opportunities for investors where forced sales or refinancing will hasten the process of price discovery as the year progresses.

Nevertheless, according to CBRE's Real Estate Market Outlook, the investment appetite for BtR and co-living will remain strong as the more defensive asset class compared to other traditional real estate sectors. Get Living's newest London neighbourhood in Lewisham will launch at the end of 2023, delivering 649 new homes including 119 co-living homes in response to rising demand.

With rising mortgage rates and the increasing cost of living putting home ownership out of reach for more and more people, it has clearly never been more important that we have a diverse, robust, well-invested rental housing market. Further investment will be needed if BtR is to grow from its current penetration of 1.6% of the rental market to 8% by 2032, as projected by Savills, but this will only be able happen if investors and policymakers continue to support the sector. The introduction of rent caps, as we have seen in Scotland, will only lead to the contraction of the rental housing market and sustain the upward pressure on rents caused by a shortage of supply. We continue to engage with respective governments to ensure the views of Get Living and the BtR sector are represented in emerging legislation and policy.

A THRIVING NEIGHBOURHOOD SETTING THE BENCHMARK FOR RENTAL LIVING

east village london E20

In 2023, East Village will mark its ten-year anniversary as the first large-scale BtR neighbourhood in the UK. In that time, the former Athletes' Village has become a thriving home to more than 6,500 residents, over 30 majority independent retailers, restaurants and cafes, and an Ofsted "Outstanding" education campus.

This year, Portlands Place opened its doors to residents with 524 high quality apartments within two towers, Skylark Point and Hightail Point. Setting a new benchmark for rental living, the towers are adjoined by a Skybridge on the tenth floor which offers 7,836 sq ft of indoor best-in-class amenity space. Residents have exclusive access to a gym, wellbeing room, the "Come Dine With Us" private dining space, a cinema room and 10,473 sq ft of large outdoor terraces with views of the London skyline. Having launched in August, Portlands Place was almost 80% occupied by the end of the year.

The addition of Portlands Place to East Village brings the total number of Get Living homes to 2,445.

In 2023, 48 new affordable homes developed by Get Living will launch at East Village. These high quality, two and three bedroom homes were sold to Notting Hill Genesis in August 2022 and will be available to local people at social rent.

2022 saw the launch of the Elizabeth Line, adding to the already impressive travel links at Stratford. With the line now running from Reading to Abbey Wood, residents can get to central London locations faster than ever, including ten minutes to Liverpool Street and 18 minutes to Paddington.

The retail and F&B offer at East Village was boosted in the year with the additions of Signorelli Bakehouse and Bamboo Mat.

Following the launch of The Lab E20 in 2021, Get Living's flagship for sustainable retail, cultural exhibition and creative workspace, we have worked closely with Fashion District and other partners to drive a programme of creative events, exhibitions and workshops throughout the year. This year, The Lab E20 has been host to an architectural summer school, a catwalk show for sustainable brand Molini London and a panel discussion on regenerative design.

At the end of 2022 we partnered with Hypha Studios, a charity matching creatives with empty spaces for free, to convert a former retail store into a creative space for emerging design talent at East Village. This unique take on an empty retail space will see several artists curate and exhibit their work as well as engaging with the local community with workshops and events.

In 2023, a programme of remediation works will take place to address a number of building defects identified through fire safety inspections.

2,445
homes for rent

30+
Independent retailers

Meet the team

"From the moment I joined the Company I knew I had made a great life decision."

Nick Marston, Head of Relationship Management
"As Head of Relationship Management for the Olympic homes, my aim is to ensure the team is always providing a best-in-class service to our residents. The team at Get Living are some of the most passionate and dedicated individuals I've had the privilege of working with, and their desire to improve and maintain Get Living's reputation amongst renters is demonstrated every day. From the moment I joined the Company I knew I had made a great life decision. I'm coming up to my fourth anniversary at Get Living, and watching East Village develop into one of London's most thriving neighbourhoods has been an immense source of pride."

Meet the residents

"Choosing East Village as my home was a great choice."

Yasmin Malhis, East Village Resident
"A Business Management bachelor student, I moved to East Village in September of 2022 after arriving from Jordan. East Village is the best place to reside in; with its very convenient location that is only three stops to university and approximately half an hour to central.

"East Village hosts events such as brunch prepared by Signorelli which gave me the opportunity to make life-long friends who live in the same building! We also watched the World Cup together with people from all around the world in the common space. In the same area, there is a gym to stay active daily, a TV room and a kitchen that you can book to host your friends. Choosing East Village as my home was a great choice."

NEIGHBOURHOOD LIVING IN THE HEART OF LONDON

ELEPHANT CENTRAL

Elephant Central offers 278 high quality student homes and 374 homes for rent right in the heart of London. Ideally located opposite Elephant and Castle Train Station, Elephant Central continues to attract residents and students with occupancy levels at over 99%.

Located in London's Zone 1, Elephant Central is within walking distance of both London College of Communication and King's College London. Regent's University London is less than half an hour's commute. It is also within walking distance of London's South Bank which plays host to cultural events, exhibitions and shows throughout the year and the West End is a short tube ride away.

The nearby train station provides quick and convenient transport links into the city, including less than 15 minutes to both London Bridge and St Pancras. The nearest tube station is a short walk from the neighbourhood with access to the Northern and Bakerloo lines.

The retail offer is tailored to the need of the locality and includes Gymbox, a nursery, a Sainsbury's Local and independent restaurants including TUPI, Pizzeria Pappagone and Murger Han. At nearby Castle Square, over 25 local traders operate along with a thriving event space in the public square. Events at the square are hosted throughout the year and include Urban Elephant, the Queen's Jubilee Celebration and Easter in Wonderland, reflecting the vibrant and culturally diverse nature of the community.

Work is underway at the Elephant and Castle Town Centre redevelopment which will transform the former shopping centre site and deliver brand new homes, shops and a state-of-the-art new London College of Communication campus. The first phase of the redevelopment is set to complete in 2026.

Once complete, Elephant and Castle Town Centre will offer a new destination and transport hub in London, including c.200,000 sq. ft. of commercial space as well as delivering significant investment and opportunities for creative place making. This will sit alongside wider regeneration within the borough. Adjacent to the development, the recently completed Elephant Park has brought new private sector homes and enhanced public realm to the area, in addition to numerous restaurants and retailers that have already elevated Elephant and Castle's appeal to residents and visitors.

The Elephant and Castle team continues to engage closely with the local community and hosted numerous events in the year, including the Urban Elephant Festival and historic walking tours that took visitors through Elephant and Castle's history.

By late 2023, a programme of remediation works is expected to have commenced at Elephant Central to address a number of building defects identified by recent fire safety inspections.

374
homes for rent

278
student studios

Meet the team

"Over the years I have built so many relationships with residents."

Alexis David, Senior Relationship Manager at Elephant Central

"I have been with Get Living for nearly eight years now and I'm still very much enjoying my time here. I started as a Property Consultant at Get Living in East Village all those years ago and now I'm a Senior Relationship Manager at Elephant Central looking after lettings.

"Over the years I have built so many relationships with residents, many of which have stayed with us for a long time, including couples who viewed with me and are now starting a family. The most amazing feeling is taking someone to view a home and seeing their reaction when they love the home and know that it is the perfect place for them.

"I have to thank the brilliant team I work with, from Relationship Managers to cleaners to maintenance, all of which are a huge part of the successes at Elephant Central."

Meet the team

"No day is the same."

Jane Reeves, General Manager at Elephant Central and Lewisham

"I have been with Get Living for nearly nine years, starting as a Senior Relationship Manager in East Village, then moving to Elephant Central to open Get Living's second site as General Manager. It's been great to be part of the original story and see all the changes implemented over the years to create the great platform we have today. I love my job, no day is the same, and I enjoy the rewards it gives from delivering a great operation, which keeps homes full and residents happy. I work with some great people and look forward to building a new team and successfully mobilising Lewisham, which will launch late 2023. I am proof of the career opportunities in Get Living for people that want to develop and establish careers in BtR."

CANAL-SIDE LIVING BETWEEN TWO CITIES

NEW MAKER YARDS

New Maker Yards continues to go from strength to strength, sitting on the old Salford-Manchester border. Following the full opening of the second phase of homes at New Maker Yards this year, the neighbourhood is now home to over 1,200 residents living in 821 homes.

Set beside a canal-side green space, New Maker Yards is located in the highly desirable Middlewood Locks, within walking distance of Salford Central Station and Manchester's Spinningfields, a popular dining, shopping and event destination. Manchester city centre is within walking distance and both Manchester University and Manchester Metropolitan University are within easy reach from the neighbourhood.

New Maker Yards is very popular with residents, who are able to make use of the neighbourhood's new 3,000 sq. ft. amenity space, "The Lock", which opened in 2022 as well as a club room for co-working and relaxing. The Lock also provides access to a brand new parcel management store and is home to 92 Degrees, an independent roaster and coffee shop which serves both residents and the wider community. The retail offer is boosted by a local Co-op store.

Residents at New Maker Yards are able to socialise at Seven Bro7hers, a beerhouse that is local to Manchester and Salford. Seven Bro7hers has quickly become a part of the community and hosts numerous events.

The wider event programme at New Maker Yards regularly brings local residents together. Ongoing events include a canal side jazz event and Christmas celebrations.

821
homes for rent

9
acres

Meet the team

"It feels really rewarding to know you are contributing to somebody's perfect home."

Sophie Bottomley, Senior Relationship Manager
"I am coming up to my fourth year with Get Living and have recently been promoted to Senior Relationship Manager here at New Maker Yards. It has been wonderful to see both the site and the area develop so much whilst launching the development, especially since I am from the area myself. We have a great team and work environment and its lovely to be able to meet and connect with so many new people due to the number of residents we come across every day. It feels really rewarding to know you are contributing to somebody's perfect home, whether that be by renting the home to them, assisting with any queries they may have or fixing any maintenance issues that arise. It's been a pleasure to watch the Company grow and change so much since joining and I can only imagine the growth the next four years will bring!"

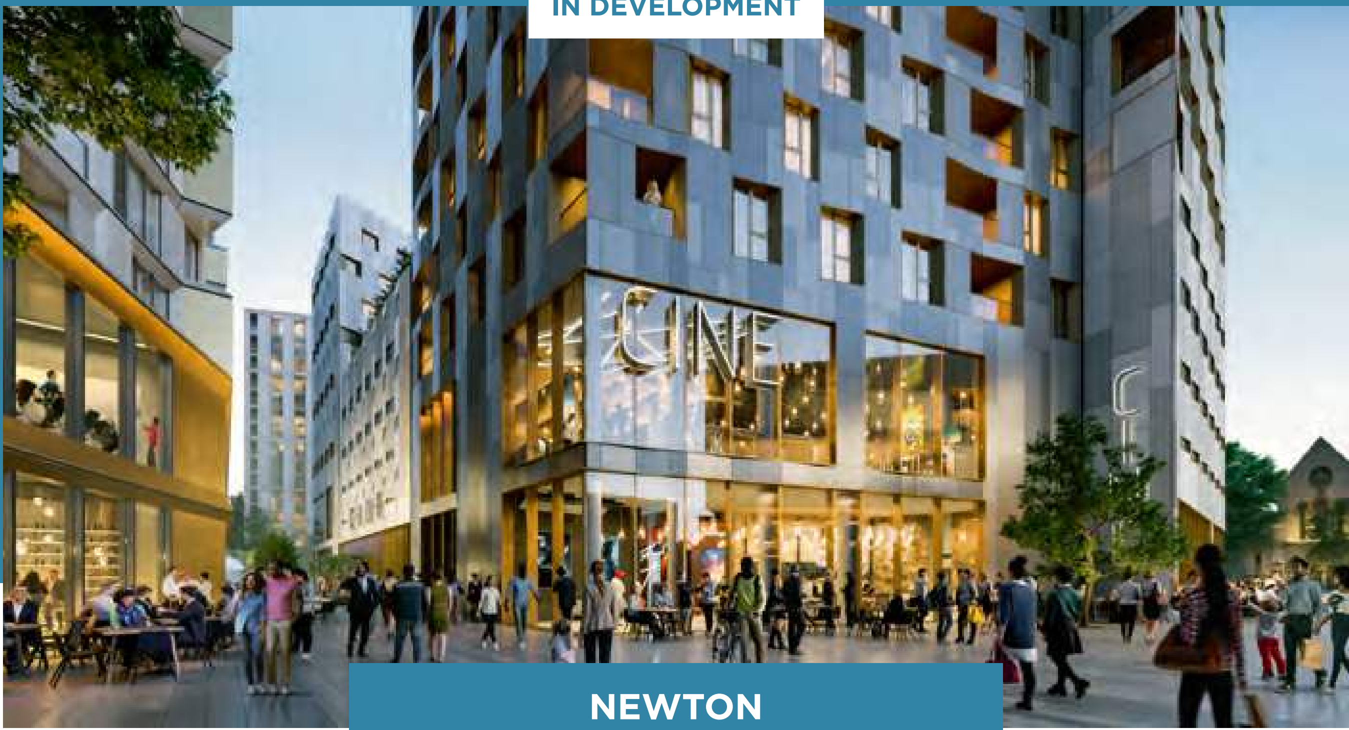
Meet the residents

"I love the location."

Julia Anna Godlewska, Resident of New Maker Yards
"I have lived at New Maker Yards for over a year, sharing a one bed apartment with my partner. I am a junior business consultant and moved to Manchester right after finishing university.

"I love how aesthetical and practical the apartments are – the furniture is of the best quality and everything looks so modern. The views especially are breath-taking. The on-site office "The Lock" makes life so easy as we are both working from home and the communal area to work/study perfectly reflects an office environment. I love the location – it is very quiet neighbourhood with the canal and yet so close to the city centre – ten minutes' walk. New Maker Yards also provides excellent 24/7 security and every time I called for assistance I was never disappointed."

IN DEVELOPMENT



NEWTON PLACE

A DYNAMIC, VIBRANT NEW LONDON NEIGHBOURHOOD

530 homes for rent

119 co-living homes

25,000 sq ft of retail space

Newton Place is our next neighbourhood to launch in London and is set to complete in the second half of 2023, welcoming its first residents shortly after. Located in zone 2 in Southeast London, with great transport links to the centre of the city, the new neighbourhood will deliver 649 homes, including 424 for market rent, 106 affordable homes at London Living rent and 119 for co-living.

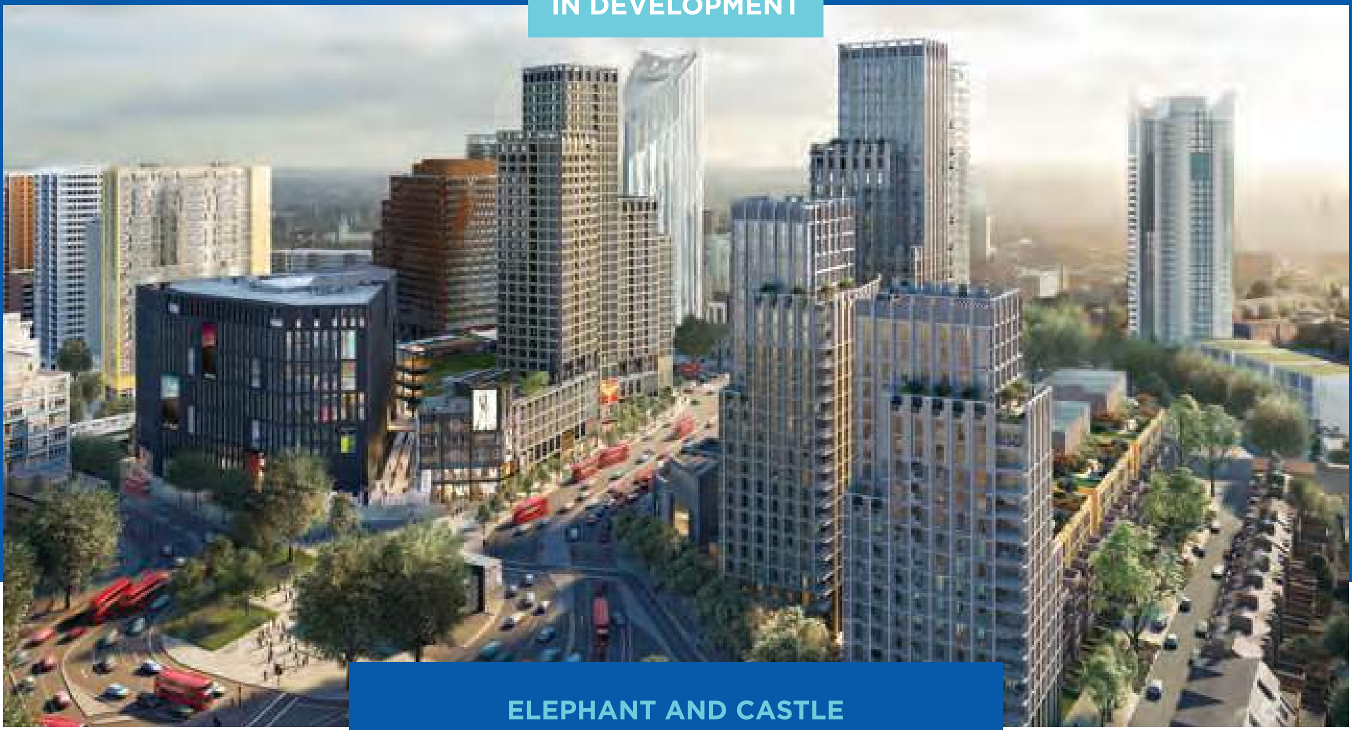
Complementing the residential offer is 25,000 sq ft of retail space, 15,000 sq ft of food and beverage space, a gym, a multiplex cinema and 10,000 sq ft of co-working space. Empire Cinemas is already signed up to the scheme with numerous retailers set to follow. The commercial offer is prominently located along what will become the principal pedestrian route connecting Lewisham town centre with Lewisham's main line and DLR stations.

The development marks our first foray into co-living, with self-contained studio-style flats and high quality shared communal facilities to enable socialising and shared living.

The scheme is part of a wider regeneration project which will deliver a new heart for Lewisham's town centre and includes homes, shops, restaurants and a public square, in addition to major infrastructure improvements. Directly adjacent to Lewisham National Rail and DLR station, there are excellent transport links from the neighbourhood to central London with connections to London Bridge in nine minutes, Charing Cross in 17 minutes and Canary Wharf in 16 minutes. A potential extension of the Bakerloo line would provide further links. This remains under consultation.

The new neighbourhood has been developed in partnership with Lewisham Gateway Development, a subsidiary of Muse Developments.

IN DEVELOPMENT



ELEPHANT AND CASTLE TOWN CENTRE

A NEW TOWN CENTRE IS EMERGING

485
homes for rent

8.8
acres

Elephant and Castle Town Centre is a major regeneration project which will deliver a new, vibrant town centre in London's zone 1, located alongside our existing neighbourhood, Elephant Central. The scheme, which will complete in 2026, will deliver close to 500 new homes for rent, a vibrant mix of shops, restaurants and leisure facilities, workspace, a state-of-the-art new campus for London College of Communication and major infrastructure improvements.

Construction is now well underway on the site of the former Elephant and Castle shopping centre and good progress has been made on site, with piling work completed in December 2022. The first sections of the basement slab have progressed with the concrete tower structures to be constructed throughout 2023 and the cladding to commence towards the end of the year.

The development is part of a wider rejuvenation of the area and will deliver much needed high quality rental homes in a prime location and 35% of the homes that will be affordable by habitable room. A second phase of this project is expected to commence on the site of the London College of Communication following it's relocation to the new university building, introducing further homes as well as additional shops and leisure venues.

The public realm located next to Elephant Central, Castle Square, is home to a number of local traders and plays host to numerous events over the year which celebrate the rich cultural diversity of the local area.

OUR APPROACH TO ENGAGEMENT

Our employees

Our employees are those who are directly employed by Get Living. Employees want to feel supported, working in a safe and comfortable environment where they can thrive in a collaborative culture that celebrates diversity and inclusion.

Why we engage

Our business success will be determined by our employees. We recognise the importance of attracting and retaining talent and creating diverse teams with relevant skills and expertise.

How we engage

Diversity and inclusion are central to our offer and we commit to being an organisation where teams feel supported and inspired to realise their potential. We invest in our people through training courses and talent development programmes, encouraging aspiring female leaders by providing executive coaching and sponsorships. Appraisal structures support staff retention and employee performance. Our employee value proposition is regularly reviewed to ensure it is relevant for our people. We collect employee feedback through surveys and promote wellbeing activities.

Outcomes of engagement

- Regular Executive led events increase top down communication and encourage business engagement
- A cost of living allowance was provided to certain employees during the year to provide financial assistance
- Our sickness and parental leave policies have been enhanced in response to employee feedback
- As part of our pledge to reduce carbon emissions, we offer employees a cycle to work scheme

Our contractors and suppliers

Our contractors and suppliers are those who provide goods and services to Get Living; they want to be treated with respect, through professional interactions and prompt payment.

Why we engage

Contractors and suppliers play a critical role in our ability to operate sustainably, safely and efficiently and therefore we ensure that they comply with Get Living standards.

How we engage

The procurement and development teams maintain close relationships and regularly meet with contractors and suppliers. We have a collaborative approach to our supply chain and encourage contractors and suppliers to raise any issues or concerns about their relationship with the Group, their contracts or the workforce. We require our contractors and suppliers to support anti-slavery initiatives and controls are in place to mitigate the risk of slavery and human trafficking from occurring within our supply chains.

Outcomes of engagement

- Key contractors and suppliers are proactively managed to maintain positive relationships
- Enhanced corporate due diligence controls have been implemented to provide more in-depth data to monitor our supply chain
- Our tender process scores contractors and suppliers with a minimum 20% weighting linked to ESG credentials
- Terms with contractors and suppliers include a commitment to comply with the law on anti-slavery and human trafficking

Our residents

Our residents are those who live in our property and includes their guests and visitors. Residents want us to understand their changing requirements and provide quality and sustainable homes with responsive services.

Why we engage

Our residents are our business and staying in touch with their wants and needs is essential to the Group's performance and reputation.

How we engage

Regular engagement is facilitated through our Welcome Offices situated in each neighbourhood, allowing residents to walk in and engage directly with the customer service team. Our Customer Hub team are also dedicated to dealing with resident queries via phone, email, website chat or social media to ensure we are prompt and responsive to issues. We hold social events for our residents as part of our placemaking strategy to encourage social engagement in our neighbourhoods and stay in touch with resident needs and feedback through surveys.

Outcomes of engagement

- Three Get Living neighbourhoods featured in the HomeViews' Top 10 "best places to live" in the UK during the year, as voted by our residents
- We are partnered with London Stadium as lifestyle sponsor, providing residents with access to concerts, stadium tours and use of community facilities
- Automated NPS surveys are sent every six months with an option to leave a comment
- Get Living has now joined the Spotify platform, providing a further unique opportunity to engage with residents

Section 172 statement

At Get Living, listening to and engaging effectively with our stakeholders is key to ensuring the right decisions are made. As a result, the relationships with our stakeholders are key to the long-term success of the Group.

Our retailers

Our retailers operate businesses within our neighbourhoods, with offerings such as retail, leisure and F&B. Retailers want us to understand their changing requirements and provide affordable and sustainable space, and responsive services, that help them compete and operate successfully.

Why we engage

Retailers are a key element of our neighbourhoods and not only serve our residents, but draw additional visitors playing a key role in our placemaking strategy. We engage to ensure products and services can be provided to deliver mutually beneficial outcomes.

How we engage

We have a dedicated team led by an experienced Head of Retail that engage regularly with our retailers through a variety of communication channels. We adopt a tailored approach to our retailers who range from small independent businesses to large national corporates. The retail team take the opportunity to connect with brands and build relationships through attending retail events. Our neighbourhood events present an opportunity for our retailers to showcase their offering.

Outcomes of engagement

- Get Living hosted exhibition stands at the Completely Retail Marketplace events in April and September 2022
- The Retail team increased in size during the year, ensuring sufficient capacity to adequately service our existing retailers and in anticipation for future retailers as developments reach completion

Our investors

Our investors are those who own shares in Get Living. Investors want the Group to generate attractive returns and therefore require clear and transparent communication of our long-term strategies, short-term plans and regular updates of the Group's progress towards these.

Why we engage

Investors provide equity funding to the Group and institutional investors in particular are constantly evaluating their portfolio holdings. Providing insightful information about the Get Living's strategy and performance is crucial for their assessment of the Group and allows them to provide valuable feedback and make assessments for capital deployment. The Group pays special attention to maintaining regular and transparent dialogue with investors, in order to ensure that they are treated and informed equally.

How we engage

The Board is made up of three Non-executive Directors and an independent Chair, all of whom are independent from the management team of the Group as investor nominees. The Board meets at least quarterly. Get Living regularly meets with the investors and provides monthly and quarterly reporting.

Outcomes of engagement

- A Group strategy day was held in December 2022 attended by the Executive Team and a number of investor representatives
- The Group continues to adopt and adhere to the Wates Corporate Governance Principles ("Wates Principles"), increasing transparency for investors and other stakeholders

Our communities

Our communities are those who live in areas where we operate, such as local residents, businesses, schools and charities. Local people and groups want us to enhance the physical and social infrastructure in their area, helping their community to thrive.

Why we engage

We want our neighbourhoods to have a positive impact on the local community. We have to understand the needs of our local communities to help them thrive which has a direct impact on the success of Get Living.

How we engage

Working in collaboration with our partners, our community support is wide-ranging. Get Living has a dedicated events team which organises and funds year-round events and activities creating the opportunity for people to come together which are inclusive and open to all. We ensure we listen to and consult with residents, businesses and community groups when we develop a new neighbourhood.

Outcomes of engagement

- The Lab E20, East Village's creative hub has held a number of free exhibitions, workshops and activities throughout the year
- Our Inspiring Communities Fund has continued to support a number of organisations and initiatives across our neighbourhoods
- Our Sports Aid sponsorship enables and empowers the next generation of athletes to achieve their ambitions

ENVIRONMENTAL SUSTAINABILITY

2022 has seen a step change in interest in the environmental performance and social credentials of property companies such as Get Living. This year we have built on our established ESG strategy to practically and culturally embed sustainability within our operations and our plans for the future.

Our multi-faceted approach to environmental performance included engagement with every single employee, capital works to improve energy efficiency, improvements to ESG data quality and processes, developing robust design standards and tackling the thorny issue of embodied carbon in new developments.

Improving environmental data quality

Access to high quality data is essential to understanding, improving and communicating our operational energy and carbon performance. However, as a landlord, we are particularly reliant on access to residents' and commercial tenants' utility meter readings, which underpin key metrics such as Energy Use Intensity and Scope 1, 2 and 3 carbon emissions.

We have identified opportunities to automate utilities data and improve the granularity of data inputs through the Data Communications Company (DCC) smart meter network, heat networks, and IoT-enabled sensors. These will replace current practices, which are labour intensive and reliant on less frequent reporting intervals.

We are working to automate the collation of landlord utilities data for common parts and void properties, where we are the ultimate bill payer. Elsewhere, we have developed a plan to originate and maintain occupants' informed consent to access their automated utility data, which make up the majority of our operational emissions. Across all utility consumption data sources, we wish to reduce reporting intervals from a matter of months to a matter of minutes.

In the meantime, we have revamped our internal ESG data dashboards to track the use of automated readings versus manual and estimated readings as a KPI. We have also aligned our quarterly internal reporting with the EPRA's sustainability Best Practice Recommendations (EPRA sBPR) for absolute electricity, heating, gas and water consumption, carbon emissions and waste diversion rates.

Building for the future

Get Living recognise the need to future proof building performance during the design and construction phase. We have therefore consolidated our requirements for new developments to guide our discussions with third party developers and inform our in-house development projects.

The standards reflect a fabric-first "energy hierarchy" and draw on the Low Energy Transition Initiative (LETI) guidance, emerging regulations (including the Future Homes Standard and draft London Plan), and professional standards.

Specific targets for Energy Use Intensity, space heating demand and embodied carbon align with LETI recommendations and reference guidance from the Royal Institution of Chartered Surveyors (RICS) and the Chartered Institute of Building Services Engineers (CIBSE). Targets for thermal comfort refer to CIBSE technical memoranda TM52 and TM59, while we have developed our own standards for smart metering and zero reliance on fossil fuels in operation.

Tackling embodied carbon

Reducing the impacts on construction is a key challenge for the property industry that will require innovation and collaboration throughout the value chain. We include a Whole Life Cycle assessment as a requirement in new developments and site acquisitions, and seek to align with LETI standards for embodied carbon. We have also carried out an innovative and detailed retrospective study of the embodied carbon in our recent development, Portlands Place in East Village.

The study offered important lessons in how to improve measurement and understanding of embodied carbon across the development supply chain and Get Living supported the authors of the report to publish a peer reviewed academic study in the open access journal "Energies".

We will apply insights from this study to future projects. These including identifying a WLC study as a deliverable in projects consultants' and contractor teams' appointments. The inter-operability of Building Information Models, construction/manufacture models and WLC assessment tools should also be considered throughout the design and construction process. It is hoped that greater awareness of WLC studies will impact design decisions to favour low-carbon technologies and encourage supply chains to provide more robust Environmental Performance Declarations.

Energy efficiency works

The energy efficiency of buildings is emerging as a key quality differentiator, which can be improved through capital works to reduce energy consumption.

In 2022 we identified landlord lighting in common parts of our buildings as a key area for immediate improvement and developed detailed plans to replace lighting and improve lighting controls in common parts. The works are expected to reduce the electricity consumption of landlord light by 79% for 148 homes in East Village. These benefits form part of a triple bottom line of reduced energy and maintenance costs, lower carbon emissions and fewer visible defects in highly trafficked areas. The scheme is expected to lead to energy and maintenance savings of £98k per annum at a Yield on Costs of 12.5%, and if successful, we aim to roll out similar schemes in other blocks.

The efficiency of district heating networks has been identified as another opportunity for improvement. In 2022 we benefitted from government funding under the Heat Network Efficiency Scheme, and identified opportunities to improve heating efficiency and comfort in East Village. We are continuing to work with the heat network operator for the Queen Elizabeth Olympic Park to develop these opportunities in 2023.

Looking further ahead, we are developing a decarbonisation plan for an archetypal plot in East Village. This study will identify capital works required to align with the Carbon Risk Real Estate Monitor (CRREM) net zero pathway and make recommendations regarding zero reliance on fossil fuels, low energy use, renewable generation, energy demand responsiveness, and in-use verification. Learnings from this project will be applied throughout the portfolio.

ENVIRONMENTAL SUSTAINABILITY CONTINUED

Making sustainability personal

Every Get Living employee sets personal targets to integrate ESG into their work and appraisal for the year. To help our team relate key climate issues to their day-to-day work, over 170 employees attended climate literacy training workshops in 2022.
These workshops explored climate within the broader sustainability landscape, including issues such as physical and transition risk, and how these relate to Get Living. Every employee was also invited to additional training to update them on Get Living's ESG progress throughout the year.

Circular Economy panel discussion with David Philips.

Kickstarting the Circular Economy

Throughout 2022 we partnered with our supply chain to innovate the lifecycle of domestic furniture and kickstart an exemplar circular economy business model.

We identified that furniture in our older homes was becoming worn and in need of replacement. A traditional, linear business model would have condemned older furniture to landfill. However, Get Living worked with our supply chain to assess 16,840 individual items of furniture for refurbishment and re-use.

This resulted in 2,098 items (12%) being refurbished and re-used within the Get Living estate. A further 7,409 items (44%) were refurbished and donated to charity, with the remainder re-sold or diverted to energy generation from waste. The project represents sizable potential value, both as direct charitable donations, and the social impact of supporting low-carbon skills.

Re-sold items were marketed for sale under our furniture provider's new consumer brand "Release". Our partner plans to expand the consumer brand with ex-rental furniture from across their wider business.

SOCIAL IMPACT

At Get Living, we know that a person's home is more than about bricks and mortar, it's also about the community and neighbourhood that they become a part of, where people come together and feel connected. That's why social value, creating wider social, environmental and economic benefits, is one of the vital ingredients across our neighbourhoods.

This has been our philosophy since Get Living was founded back in 2013 with our pioneering neighbourhood, East Village. Being a force for good means taking an active role in our neighbourhoods, working closely with residents, local stakeholders and wider communities. To that end, we have not only donated to local charitable and community causes in 2022, but we have also set up our own initiatives and projects that respond to local needs with the aim of supporting, empowering and upskilling local communities.

Our Social Value Policy

We invest in places for the long term and it's important to us that we focus our efforts not only on our neighbourhoods and residents, but also the wider locality. Our role is to support local employment and local suppliers, become civic family members of the communities in which we operate, while pursuing a green and sustainable agenda.

We work hard to offer people a better way to live and rent, in neighbourhoods that are fit for the future. We aim to provide great rental homes, create healthier places and boost the social and economic worth of communities.

To achieve that aim, we are working to:

- help local economies grow through the provision of flexible, high-quality, value focussed neighbourhood development, delivering homes, new job opportunities and contributions to the local economy. In turn, this attracts further inward investment and can act as a catalyst for further growth and productivity. As long-term stakeholders in the places in which we operate, we also invest in projects and initiatives that support local businesses, institutions and students in the form of funding, upskilling and mentoring
- support training, skills and career development for our employees and through our supply chain
- create wider social value by supporting local causes and projects through our Inspiring Communities Fund and by monitoring and targeting improvement of tenant satisfaction
- improve the health and wellbeing of our residents and employees through assessment and introduction of initiatives such as biodiversity enhancement and provision of cultural and physical activities

Creative Placemaking with The Lab E20

Having launched in 2021, The Lab E20 has quickly become a new flagship for experiential retail, cultural exhibition and creative workspace. Designed by Christopher Raeburn, founder of RÆBURN, the 3,500 sq ft and double-heighted space in Stratford plays host to events and experiences with various cultural partners for residents and wider community.

The Lab has successfully incubated local creative-tech start-ups, supported the emergence of local design talent in partnership with the London College of Fashion and works with local and global cultural partners for further collaboration between the fashion industry, the built environment and the creative industries.

In 2022, Fashion District curated The Lab's cultural programme with a focus on sustainability, community and creativity. Activities included an investment series event featuring pitching workshops and investment clinics, a LOANHOOD pop-up with a preview party and upcycling workshop, and a Project ReGo Exhibition supported by Foundation for Future London and London College of Fashion. Regular monthly events at The Lab E20 include salsa classes, knitting clubs and a community fund club.

The Lab E20.

Environment, social and governance continued

SOCIAL IMPACT CONTINUED

Supporting Communities with ActionFunder

Working with ActionFunder, Get Living's Inspiring East Village Community Fund supported seven local community project activities in 2022. Over £20,000 was awarded to non-profits making an impact in the local area.

The launch follows the success of a similar funding campaign at our New Maker Yards neighbourhood in Salford in 2021. Across the UK, Get Living provides funding to local community groups and initiatives focused around four key themes:

- driving local work and growth;
- working towards more sustainable cities;
- increasing focus on the arts and creativity; and
- improving neighbourhood inclusivity.

A selection panel, which included local residents at East Village, chose the winning projects based on the above criteria. This year the Inspiring East Village Fund supported a broad range of projects and initiatives that focus on upskilling and education, life skills workshops and groups that bring together and connect local people. These projects are: Ready to Work – Vine Connect, XLP Homework Project, Who's Behind the Camera – Youth Charter at London Stadium Learning, YouMeUs @ The Lab E20 – Catalyst in Communities, QEOP Girlguiding Goes Camping, Inclusive Community Cooking, Skate Gals & Pals.

Local Girlguides group, supported by the Inspiring East Village Fund.


Get Living Gives Back at Thorogood Gardens, Stratford.

Get Living Gives Back

In 2022 Get Living launched Get Living Give Back, an opportunity for colleagues to volunteer for group charitable initiatives in the communities in which we operate. Colleagues spent a day of their time supporting varied projects that closely align with Get Living's wider social value objectives, including promoting biodiversity, combating loneliness and providing essentials for those most in need.

50 team members participated in 2022, with further activities planned for 2023.

The events held included:

Thorogood Gardens, Stratford
In late Spring several Get Living colleagues joined with some of our key supply partners to rejuvenate a community garden in Stratford. The team helped with weeding and mowing, the planting of beds and containers and the installation of a shed and bird boxes. Plants that would encourage wildlife to the area were also selected to help promote biodiversity.

Blackfriars Settlement, Southwark
Over the course of two days a group of Get Living staff visited the Blackfriars Settlement Day Centre to prepare, cook and serve lunch to a group of elderly Southwark residents. The team spent time chatting with the residents, hosted a quiz and sang songs.

Newham District Foodbank, Stratford
Instead of an all-colleague Secret Santa and to support those struggling with the cost of living crisis, the Get Living Stratford office chose to make donations to a local foodbank. Over a three-week period nearly 300 food items were donated and delivered to the charity the week before Christmas.

Coco Collective, Lewisham
The Coco Collective is an afro diaspora community garden in Lewisham. In November, nine people from across Get Living were guided by the Coco Collective team in a day of bramble clearing, weeding, and digging up a lawn and replacing it with new turf, all to improve the garden for the local community.

Don't Walk Past, Manchester
Towards the end of the year staff and residents at New Maker Yards, Salford, donated unwanted but usable clothes for the homeless in Manchester.

Bringing local art to East Village with Hypha Studios

At the end of 2022 we began working with Hypha Studios, a charity matching creatives with empty spaces for free, to convert a former Sainsbury's store into a creative space for emerging design talent at East Village.

Centred around the themes of design and community living, the space has become a showcase for a series of artists and exhibitions, cementing East Village as the gateway to East London's creative district and further supporting Get Living's strategy in creating an inclusive and sustainable urban neighbourhood.

The two unique gallery spaces showcase curated and immersive works by local artists and emerging talent from Goldsmiths University students. As part of the residency, the artists are also engaging with the local community.

The launch of Hypha Studios at East Village.

"Creativity is central to many communities and our newest design studio in Stratford's East Village will bring new life to a vacant commercial space, transforming the unit into a not-for-profit gallery and exhibition space for local and emerging talent.

"East Village is a fantastic location for the new and historic local communities, and with great travel connections we really hope that the exhibitions will also draw new visitors to the area. With its deep cultural history, Stratford is becoming a new creative hub for London and Hypha Studios is excited to be working with Get Living to bring a series of exhibitions to E20."

Camilla Cole, Founder of Hypha Studios

Elephant & Castle Business Forum.

Working with local businesses through the Elephant & Castle Business Forum

Established in 2021, the Elephant and Castle Business Forum is a vehicle for local businesses to work together to take advantage of local opportunities, develop initiatives to promote the local commercial and cultural offer and apply for funding to deliver projects in Elephant and Castle. The forum has so far brought together 66 local businesses and stakeholders, led by a steering group and an appointed chair person.

Two successful projects have been delivered to date. The Forum is working in partnership with the UAL-LLC University and the People's Company Theatre with support from Southwark Council. It is also working with Urban Elephant Festival and Digital Marketing face to face training to support 30 local businesses.

Environment, social and governance continued

SUSTAINABILITY AND GOVERNANCE


Sustainable fashion show at the Lab E20.

Strong governance is essential to ensure that good intentions are carried through to practical ends. This is particularly true in matters of sustainability, where sustainability themed benchmarks and disclosures augment our wider corporate governance.

Get Living's approach to ESG benchmarking is guided by participation in the GRESB, and supported by voluntary disclosures on our social impact and the wide-ranging sustainability Best Practice Recommendations of the EPRA (EPRA sBPR). We are investigating the recommendations of the Task force for Climate-related Financial Disclosures (TCFD) and include light-touch disclosures in this report. We also make mandatory disclosures under the Streamlined Energy and Carbon Reporting framework, details of which are provided below.

5-star GRESB rating

For the third year running, Get Living participated in the GRESB and was awarded a 5-star GRESB rating for Standing Investments. Our Development Assets were also awarded a 4-star GRESB rating for the second consecutive year, placing Get Living second from top in our Residential: Multi-Family peer group of eight companies.

As a an investor-led organisation, GRESB provides a rigorous and rounded framework for sustainable practice and preparing ESG data for the financial markets. Get Living have benefitted from the regular benchmarking process which collects, validates, scores, and independently benchmarks ESG data.

Participation in GRESB has helped shape our policy and approach to ESG leadership, including reporting, risk management, stakeholder engagement, development standards, build quality, green building certification, energy efficiency, water efficiency, waste management and total greenhouse gas emissions.

Preparing for the Task force on Climate-related Financial Disclosures

Get Living worked with external specialists to investigate the recommendations of the TCFD and carried out a gap analysis in preparation for emerging mandatory requirements.

We have investigated the role of climate on Get Living's governance, strategy, risk management and target setting, identifying a number of "quick wins" to improve our approach, as well as deeper, systemic changes that we intend to implement over the medium to long term. Climate strategy is interwoven throughout our wider strategy.

Table: Snapshot of our sustainability journey

TCFD Recommendation	Response	See also
Governance		
The Board's role	Climate matters are raised at the Board's quarterly meetings as appropriate. Elements of climate risk are also captured in the Audit Sub-committee's duties regarding general risk management.	Corporate Governance Report page 48
Management's role	Climate strategy is represented within senior management by the COO, who is responsible for ESG (including climate-related opportunities and risk). The COO is supported by external advisers, the ESG Steering Committee and the Head of Net Zero.	Executive Team page 51
Strategy		
Climate opportunities and risks	The broader topic of "'sustainability" has been identified as a principal risk that is actively managed and regularly reviewed by senior management. "Sustainability" includes climate transition risks such as build cost inflation and changing customer expectations, while physical climate impacts are captured as sensitivities to other principal risks, such as acute environmental events impacting health and safety, and investor sentiment impacting market risk.	Principal Risks page 40
Climate impacts on strategy and financial planning	Working with external advisors, Forvis, Get Living carried out a TCFD GAP Analysis in 2022. This identified a number of "quick wins" to improve our approach and included strategic recommendations to benefit from the Taskforce's wider recommendations. Sustainability goals are already included in every team member's annual appraisal to promote ownership of sustainability (and climate) at every level of Get Living's culture. Budget has also been allocated to improve EPC ratings, reduce landlord electricity consumption and invest in ESG data quality through smart metering infrastructure and processes.	Environmental Sustainability page 30
Scenario analysis	Get Living is conducting a Scenario Analysis for standing assets in 2023. Development assets are already investigated by specialist consultants to identify and mitigate physical climate risks such as flooding, extreme heat and high winds throughout the development cycle.	
Risk management		
Identifying and assessing climate risks	The Executive Team regularly reviews all principal risks and how these are mitigated and managed across Get Living's business activities. The ESG Steering Committee, which is chaired by the COO also provides support to senior management regarding the identification and interaction of climate risks.	Managing Risk and Internal Controls page 40
Managing climate risks	Get Living seeks to future proof assets against emerging physical and transition climate risks through robust new build standards and improvements to the energy efficiency of existing neighbourhoods. We are working to quantify the capital commitments required to align with CRREM decarbonisation pathways and are also investing in training to improve awareness of climate sensitivities and impacts.	Environmental Sustainability page 30
Integrating climate within wider risk management	In light of the TCFD Gap Analysis, we are working to improve understanding of "climate" both within the "sustainability" agenda, and the broader business strategy landscape. To this end, all principal risks are assessed for climate sensitivities to highlight the interaction between climate matters and traditional risk classifications such as market risk and health and safety.	Principal Risks page 40

Environment, social and governance continued

SUSTAINABILITY AND GOVERNANCE CONTINUED

Table: Snapshot of our sustainability journey continued

TCFD Recommendation	Response	See also
Metrics and targets		
Climate metrics	Detailed climate metrics are disclosed annually in Get Living's annual Sustainability Report, which aligns with EPRA sBPR standards.	Sustainability Report
Greenhouse gas emissions	Scope 1, 2 and 3 greenhouse gas emissions are disclosed annually in accordance with the Streamlined Energy and Carbon Reporting requirements, which are included in this report.	SECR Statement page 38
Targets for improvement	Get Living is investigating alignment with the Carbon Risk Real Estate Monitor (CRREM) methodology and aspire to set targets in line with the UK's National Determined Contributions to the Paris Climate Accords.	

EPRA's sustainability Best Practice Recommendations

Get Living's annual Sustainability Report for 2022 will continue to include detailed sustainability metrics in line with the European Public Real Estate Association's sustainability Best Practice Recommendations (EPRA sBPR). These include quality assured statements on the portfolio's energy consumption, water consumption, carbon emissions, waste management, green building certification, social impact, employment practices, procurement practices and governance. The report for 2021, which was published in 2022, can be found at https://www.getliving.com/about/esg-policy/.

Streamlined Energy and Carbon Reporting

Get Living PLC emissions and energy usage statements are reported in the below tables for the year ending 31 December 2022. Absolute emissions/consumption, like-for-like[i] and an intensity value[ii] for 2021 and 2022 are reported. These tables set out the emissions and consumption for the entity overall and the split between "Residential" and "Student Accommodation" asset types. Like-for-like and intensity values include all consuming assets owned for two consecutive years within the entity. The approach taken follows guidance provided by the GHG Reporting Guidelines (BEIS, 2019)[iii]. See Appendix for further details of the reporting methodology.

Table 1: Get Living PLC Greenhouse Gas Emissions Statement for year ending 31 December 2022

		Absolute emissions (tonnes CO_2e)		Like-for-like/degree day adjusted emissions (tonnes CO_2e)			Like-for-like/degree day adjusted intensity ($kgCO_2e/m^2$ NLA)		
Sector and GHG source		2021	**2022**	2021	**2022**	% change	2021	**2022**	% change
Residential	Scope 1	813	**1,178**	738	**970**	31%	15.7	**20.7**	31%
	Scope 2	2,889	**2,848**	2,860	**2,714**	-5%	10.1	**9.6**	-5%
	Scope 3	3,239	**3,230**	3,150	**3,096**	-2%	11.1	**10.9**	-2%
	Total	6,941	**7,256**	6,748	**6,780**	0%	23.8	**23.9**	0%
Student Accommodation	Scope 1	237	**218**	237	**250**	6%	43.4	**46.0**	6%
	Scope 2	74	**85**	74	**85**	15%	13.6	**15.6**	15%
Total	Scope 1	1,050	**1,396**	975	**1,220**	25%	18.6	**23.3**	25%
	Scope 2	2,963	**2,933**	2,934	**2,799**	-5%	10.2	**9.7**	-5%
	Scope 3	3,239	**3,230**	3,150	**3,096**	-2%	11.1	**10.9**	-2%
	Total	7,252	**7,559**	7,059	**7,115**	1%	24.4	**24.6**	1%

i Like-for-like excludes assets that were purchased, sold or under refurbishment during the two years reported

ii Intensity values are calculated on a $kgCO_2e/m^2$ basis for GHG emissions and kWh/m^2 for energy consumption

iii https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/791529/Env-reporting-guidance_inc_SECR_31March.pd

Table 2: Get Living PLC Energy Usage Statement for year ending 31 December 2022

Sector and energy source		Absolute consumption (kWh in 000's) 2021	2022	Like-for-like/degree day adjusted consumption (kWh in 000's) 2021	2022	% change	Like-for-like/degree day adjusted intensity (kWh/m² NLA) 2021	2022	% change
Residential Landlord	Electricity	8,100	**8,875**	7,981	**7,681**	-4%	28.2	**27.1**	-4%
	District Heating & Gas	11,293	**13,083**	10,858	**12,509**	15%	38.3	**44.2**	15%
	Total Energy Landlord	19,393	**21,958**	18,839	**20,190**	7%	66.5	**71.3**	7%
Residential Tenants	Electricity	6,363	**6,888**	5,999	**5,842**	-3%	22.6	**22.0**	-3%
	District Heating & Gas	11,058	**11,121**	10,990	**11,522**	5%	41.4	**43.4**	5%
	Total Energy Tenants	17,420	**18,009**	16,989	**17,363**	2%	63.9	**65.3**	2%
Student Accommodation	Electricity	348	**439**	348	**439**	26%	63.9	**80.5**	26%
	District Heating & Gas	1,292	**1,195**	1,292	**1,371**	6%	237.2	**251.7**	6%
	Total Energy	1,641	**1,634**	1,641	**1,810**	10%	301.1	**332.3**	10%
Total	Electricity	14,811	**16,202**	14,329	**13,961**	-3%	49.6	**48.4**	-3%
	District Heating & Gas	23,643	**25,399**	23,140	**25,402**	10%	80.1	**88.0**	10%
	Total Energy	38,454	**41,601**	37,469	**39,364**	5%	129.8	**136.3**	5%

In light of our efforts to improve environmental data quality, we have increased the scope of energy data sources, whilst refining the methodology of our carbon accounting (for instance via the apportionment of emissions across GHG Protocol scopes and organisational boundaries).

Most materially, we have secured access to heat consumption data for East Village, which is included for the first time. Aggregated data was used on a plot-by-plot basis and apportioned to landlord and tenant spaces on an area basis. Consumption within leasehold properties owned by Triathlon Homes has also been excluded for the first time, following a detailed review of best practice criteria (GHG Protocol) relating to emissions that fall within financial and operational control of the business. Historic data for 2021 is re-stated to reflect these improvements and like-for-like metrics use the revised historic data accordingly to ensure consistency.

Absolute consumption figures have increased to reflect the absorption of new development in East Village and New Maker Yards, and increased occupancy of Portchester House in Elephant Central. Like-for-like metrics include degree day adjustments (adjusting for weather conditions), which suggest that heat demand has not reduced in proportion to the relatively mild winter, with gas consumption growing on a relative basis. However, as grids and other energy sources improve, absolute and like-for-like degree day adjusted emissions metrics have benefitted from reduced carbon factor (the carbon emissions resulting from the usage of a particular form of energy), for both grid electricity and gas supplies. This means that for equivalent energy usage, the carbon emissions for both energy types will be lower than the previous year.

It is envisaged that continued improvements to utility data collection may create some initial volatility in SECR metrics, whilst generating operational insights to reduce consumption in the medium-term.

Principal risks and uncertainties

MANAGING RISK AND INTERNAL CONTROLS

Get Living continued to strengthen its internal controls framework during the year, which enhanced its ability to manage risk.

Overview

The Executive Team analyses risks on a monthly basis and reviews how these are mitigated and managed across all areas of Get Living. Like all businesses, the Group faces a variety of risks that have the potential to impact its performance and ability to realise value in neighbourhoods. This includes external factors that may arise from the markets in which the Group operates, government policy, regulation and general economic conditions, as well as internal risks that arise from the way in which the Group is managed and structures its operations. Risks are considered as a fundamental part of decision making, determining strategy and considering new opportunities.

The Group has a range of internal controls and operational procedures that are designed to effectively manage risk, but it is recognised that risk cannot be totally eliminated. A Risk Register is maintained and updated monthly by the Executive Team with contribution from senior management. It includes current and future mitigations of the identified risks, as well as potential opportunities, and is discussed at each quarterly Board meeting. Our principal risks consist of the most significant risks impacting the Group and are considered across a two year timeframe.

The Executive Team recognises that it has limited ability to control certain external risks that the Group faces, such as government policy, but keeps the possible impact of such risks under review, taking mitigating action where possible, and considering them as part of the overall decision-making process.

The Audit Committee is responsible for reviewing effectiveness of the Group's internal controls and risk management systems on behalf of the Board.

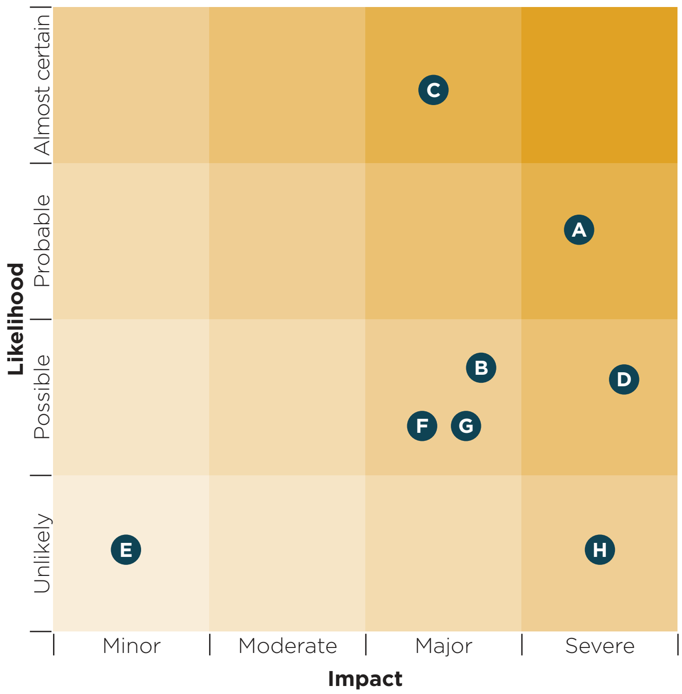
Outlook

Our risk assessment has evolved over the past twelve months to address the new and emerging risks largely driven by the macro-economic environment. 2022 saw unprecedented global shifts caused by the war in Ukraine and post-lockdown economic supply constraints resulting in sharp inflationary increases and a cost of living crisis with soaring energy prices. UK political instability and policy changes led to interest rate volatility and the largest single-meeting increase in the Bank of England Base Rate in 30 years, disrupting financial markets towards the end of 2022 and beyond. We will continue to focus on the risks relevant to the Get Living business which have the highest likelihood to adversely impact operations and/or prevent value growth; the cost of living crisis and increasing energy costs impacting on BtR market demand; economic decline and high cost of lending on property values and availability of capital; industry regulation and cost inflation constraining revenue growth and operational efficiencies preventing attractive investor returns.

The Executive Team has considered emerging risks and their potential impact on the Group. In this regard, one additional principal risk has been identified, development risk, as the Group has now taken responsibility for managing our development projects in-house.

Principal risks heat map

Residual risk (assessed after 'Existing Controls')



- **A** Market
- **B** Financing and capital markets
- **C** Sustainability
- **D** Cyber security and technology
- **E** People
- **F** Regulatory
- **G** Health and safety
- **H** Development

A
Market

Inherent risk rating
High

Increase

Residual risk rating
High

Increase

Risk description
Decline in market conditions, reduction in demand for UK real estate, changes in PRS consumer behaviour, changes in political policy regarding BtR homes, increased competition and interruptions due to other development activities and geopolitical issues that may adversely affect the Group's portfolio valuation and performance.

Commentary on risk in the year
Despite headwinds of rising inflation and interest rates increasing the cost of living in the UK, the BtR sector experienced another record-breaking year in terms of investment, with over £4.3 billion invested in 2022*. Demand in the sector has continued to far outstrip supply supporting pricing growth and mitigating the valuation risk by offsetting yield pressure. The PRS market shows resilience in the inflationary environment as it provides more flexibility and a lower financial commitment compared to home ownership.

An expanding portfolio helps to mitigate against changing factors that might increase barriers to entry. Get Living opened Portlands Place in August 2022, adding a further 524 new homes to the heart of East Village in addition to a further 289 homes launching at New Maker Yards in Salford in June 2022. We continue to see development expansion with the Group increasing its portfolio value as a result of significant capital expenditure; Newton Place is due to reach practical completion in the second half of 2023, whilst Elephant and Castle Town Centre is expected to launch in 2026.

Mitigation
- Get Living has established a Pricing Committee in the year chaired by the Head of Portfolio Management which meets monthly and sets the PRS pricing taking into account external factors such as enquiry levels, reasons for move outs and general market conditions.
- We proactively keep up to date with and react accordingly to changes to relevant legislation including potential government rent controls or similar limitations through active engagement with policy makers, industry bodies and professional advisors; the Renters' Reform Bill is being actively reviewed.
- We continually strive to understand the needs of the customer and communicate with residents through customer satisfaction surveys.
- We invest in marketing campaigns to ensure a clear and competitive market position.

* https://www.savills.co.uk/research_articles/229130/339547-0

B
Financing and capital markets

Inherent risk rating
Medium

Increase

Residual risk rating
Medium

No change

Risk description
Inability to raise appropriate equity or debt as required to meet the needs of the business. Changing capital market conditions could drive adverse movement in interest rates and have a negative impact on property valuations and loan covenants.

Commentary on risk in the year
Resilience in the PRS sector and swift recovery post-pandemic evidenced by high occupancy, collection rates and rental growth provides confidence to existing and potential lenders.

Debt markets were volatile in the period with rising interest rates and a reduction in the availability of finance. We were significantly protected from rising interest rates through hedging our floating rate facilities.

The Portlands Place development loans, with a total balance of £163.0 million at the year end, are due to mature in September 2023. The refinancing of this debt is in progress with strong lender interest and we anticipate closing this refinancing in advance of the development loan maturity dates.

Looking further ahead to March 2024, the £32.6m New Maker Yards Phase 1 debt facility will require refinancing whilst the £64.8m New Maker Yards Phase 2 facility will require refinancing unless an option is taken to extend the facility for one more year.

Mitigation
- The composition of the Group's debt portfolio is monitored to ensure compliance with covenants and continued availability of funds.
- The Board is reported to on a quarterly basis with regards to current debt, covenant compliance and projections of future funding requirements to ensure early warning of potential issues.
- We engage with debt advisors and lenders proactively, keeping abreast of market trends which feed into underwriting assumptions.
- We approach potential lenders well in advance of a refinancing requirement to reduce refinancing risk.

Principal risks and uncertainties continued

C
Sustainability

Inherent risk rating
High

Residual risk rating
High

No change

Increase

Risk description
Impacts of environmental events due to climate change, ESG requirements on operations and net zero carbon obligations. A failure to anticipate and respond to environmental risks could damage our reputation and cause disruption in our operations. Growing investor and lender preferences for sustainable properties may impact the Group's ability to meet current and future financing commitments.

Commentary on risk in the year
Work is in progress to quantify the capital commitments required to align with the Carbon Risk Real Estate Monitor (CRREM) decarbonisation pathways. We are also investing in training to improve awareness of climate sensitivities and impacts.

Get Living was awarded the top 5-star GRESB rating for the third year running for the operational portfolio in recognition of our sustainability performance.

Mitigation
- Get Living's ESG Steering Committee considers sustainability, including physical and transitional climate risk, and is sponsored by the Chief Operating Officer with support from the Head of Net Zero.
- Physical climate risks are monitored at an operational level and addressed in development with screening and mitigation measures assessed through flood risk assessments, microclimate and wind safety studies and thermal comfort standards.
- Climate transition risks are addressed through robust new build standards and improvements to the energy efficiency of existing neighbourhoods.
- We invest in ESG focused training and personal objectives for employees.

D
Cyber security and technology

Inherent risk rating
High

Residual risk rating
Medium high

No change

No change

Risk description
Critical system interruptions through systems failure or major IT security breaches could lead to exposure or loss of data held by the Group, leading to operational disruption, reputational damage and potential regulatory fines.

Commentary on risk in the year
Get Living has progressed the recommendations from the latest Cyber Audit report. This has strengthened Get Living's operating position by adopting best practice learnings in the NCSC guidance and implementing recommendations.

Get Living is now conducting detailed analysis and threat assessment which allows for real-time AI response to threats and 24-hour monitoring.

Mitigation
- Get Living operates in a secure encrypted cloud environment monitored around the clock by experienced service partners and all systems are fully backed up.
- Detailed analysis and threat assessment is conducted through Darktrace which allows for real-time AI response to threats and 24-hour monitoring of both on site and remote works and activities.
- The Group relies on key systems to ensure operational efficiency.
- Regular Cyber Audits are carried out by third-party firms.

E
People

Inherent risk rating
Low

Residual risk rating
Low

No change

No change

Risk description
Group performance could suffer due to the loss of key staff through resignation or extended periods of absence. Failure to attract and retain a diverse workforce could impact performance as it is key that our employees can connect with our residents, communities and wider stakeholders.

Commentary on risk in the year
A HR-led policy review during 2022 resulted in an enhancement to our sickness and parental leave. Regular events and meetings led by the Executive Team were implemented in the year to increase top-down communication and encourage business engagement. We continued to promote health and wellbeing across the business through a number of events and activities held during the year.

Mitigation
- We provide learning and development support for all employees as well as specific leadership training and executive coaching for identified talent.
- Diversity and inclusion data is continuously monitored, including gender pay gaps.
- Appraisal structures are in place to support employee performance, development internal career progression.
- Company policies and our employee value proposition are regularly reviewed to ensure they are relevant for our people.
- Employee feedback is collected through surveys and events and we promote wellbeing activities.
- Executive remuneration and long-term incentive plans are aligned with Group performance and overseen by the Remuneration Committee.

F Regulatory

Inherent risk rating
High

Residual risk rating
Medium

No change

No change

Risk description
Failure to monitor, adhere to and be proactive to changes in the legislative or regulatory environment, including the REIT regime, TISE listing rules, GDPR, building regulations, rental reform, consumer protection law and Association of Residential Letting Agents (ARLA) could lead to operational disruption, complaints, reputational damage and regulatory fines.

Commentary on risk in the year
Quarterly governance review meetings were held throughout the year to actively monitor regulatory compliance and review forthcoming legislation.

Get Living engages Savills to ensure legal and regulatory compliance across all neighbourhoods.

During the year two senior legal counsels joined the team and subsequent to the year end Get Living appointed a Head of Tax.

Get Living is working with advisors to monitor and assess the risk of potential rental reform regulation, in relation to both current and future governments.

Mitigation
- Regular advice is received from professional advisors and we actively engage with industry bodies to ensure in-house knowledge is maintained.
- We have invested in legal and corporate affairs teams who proactively monitor changes to relevant legislation and conduct horizon scans to ensure the Group is kept abreast of potential and actual regulatory changes. A programme of engagement with key policy makers is ongoing.
- We are conducting a review of consumer protection laws relevant to the residential sector to ensure existing processes and procedures are fully compliant. Action points with training will be rolled out, audited and updated on an annual basis.

G Health and safety

Inherent risk rating
High

Residual risk rating
Medium

No change

No change

Risk description
A major health and safety incident could lead to loss or injury to residents, staff or contractors as well as reputational damage, financial loss and potential liability. We particularly consider fire safety and our responsibility to keep our residents safe and ensure our buildings are compliant with the latest building safety regulations.

Commentary on risk in the year
Get Living's Operations Director oversees and implements H&S policies with the assistance of a dedicated Health and Safety Manager. A health and safety matrix has been developed and implemented across all operational areas. The Group has continued to undertake building surveys and risk assessments to identify areas where fire safety remediation or improvement works are required to our buildings, commencing necessary works based on advice from internal and external experts.

Mitigation
- Quarterly health and safety meetings are held and chaired by the CEO, attended by a number of representatives across the business.
- Each Get Living building undergoes an annual health and safety audit as well as a fire and general risk assessment with actions documented.
- Development project health and safety responsibility is managed by principal contractors who control sites, deliver training and manage safe construction environments.
- Get Living has convened a senior management weekly forum to discuss and provide direction on matters relating to the fire safety of the external wall construction of buildings within the Get Living portfolio.
- Advice is received from industry experts at least on a weekly basis.

H Development

Inherent risk rating
Medium low

Residual risk rating
Medium

N/A

N/A

Risk description
Inability to deliver quality BtR assets with flexible and sustainable designs on time and within budget could have a significant impact on performance and future growth plans. In the current environment, securing a contractor is challenging and construction cost inflation makes it challenging to make projects viable.

Commentary on risk in the year
The Group established an in-house development team during the year bringing a wealth of experience and expertise of project management and construction.

Get Living was largely protected from the adverse impacts of the inflationary environment on construction costs due to forward funding arrangements and fixed price direct development projects.

Mitigation
- Get Living has an in-house development management team with significant experience and strong relationships with third-party development and construction advisors.
- The Group partners with reputable contractors known to deliver quality schemes.
- We actively monitor cost inflation, interest rates, rents and yields as well as analyse trends to identify new potential risks as they emerge and react accordingly.

Business review

POSITIONED FOR SUCCESS

Operating performance

The 2022 results delivered a strong performance for Get Living. We made significant progress through further investment in developments and capturing strong rental demand which contributed to significant rental growth and high stabilised occupancy levels.

Rental income of £83.4 million for the year represents an increase of 30.7% when compared to 2021 (£63.8 million). The exceptional leasing performance and delivery of new pipeline led to net rental income of £62.6 million, an increase of 37.9% versus 2021 (£45.4 million).

We continued to invest in the improvement of homes and neighbourhoods within our portfolio, with the continuation of a refresh program upgrading the quality of our existing homes in East Village.

Get Living's costs of operations continue to be carefully managed through control of overhead costs. Total costs as a proportion of income reduced with the Group's EPRA cost ratio being 65.6% (31 December 2021: 73.2%).

Subsequent to the year end the Group made a payment of £18.9 million to HMRC as part of an agreement signed in March 2023 to settle an ongoing tax enquiry; see note 18 of the financial statements.

Development programme

Portlands Place opened its doors in August 2022, adding 524 new homes to the heart of East Village and closed the year 79% occupied reflecting the strong demand. In June 2022, 289 further homes were launched at New Maker Yards and closed the year 94% occupied, increasing our total homes to 821 in Middlewood Locks, Salford.

The Newton Place development has made substantial progress during the year ahead of expected completion in 2023, whilst construction at Elephant and Castle Town Centre commenced in January 2022 and is progressing well.

All of this contributed to a 13.8% increase in total portfolio value to £2.73 billion (31 December 2021: £2.40 billion).

In addition to our in-progress developments in Lewisham and Elephant and Castle, the Group has a strong pipeline of opportunities to further grow the number of homes it provides. Get Living's continued investment will support the long-term demand for a more flexible and modern lifestyle which renting offers, as the cost of home ownership increases.

Summarised results

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Rental income	**83.4**	63.8
Direct property costs	**(26.5)**	(24.8)
Management fees (included within direct property costs)	**5.7**	6.4
Net rental income	**62.6**	45.4
Other income	**15.8**	6.9
Other cost of sales	**(9.5)**	—
Management fees (included within direct property costs)	**(5.7)**	(6.4)
Administrative expenses	**(35.7)**	(28.3)
Operating profit before revaluation	**27.5**	17.6
Net financing costs	**(36.7)**	(27.0)
EPRA earnings	**(9.2)**	(9.4)
Revaluation gain	**136.0**	61.9
Fair value gain on derivatives	**25.6**	5.8
IFRS profit before tax	**152.4**	58.3

EPRA cost ratio

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Direct property costs	**26.5**	24.8
Void costs	**(1.8)**	—
Management fees	**(5.7)**	(6.4)
Administrative expenses	**35.7**	28.3
EPRA costs	**54.7**	46.7
Rental income	**83.4**	63.8
EPRA Cost Ratio	**65.6%**	73.2%

“

We made significant progress through further investment in developments and capturing strong rental demand.”

Business review continued

Property portfolio – Valuations

CBRE independently valued the portfolio at market value in accordance with RICS Valuation Standards. The aggregate total value of the Group's property portfolio totalled £2.73 billion as at 31 December 2022 (31 December 2021: £2.40 billion). The increase is driven by a valuation gain of £136.0 million in the year, £146.3 million of development spend and capital invested in asset management projects. This represents a 13.8% increase in total portfolio value.

	31 December 2022 £m	31 December 2021 £m
Investment properties	**2,223.5**	2,058.7
Properties in the course of development	**435.7**	307.5
Total investment properties owned	**2,659.2**	2,366.2
Trading property	**68.6**	35.6
Total properties owned	**2,727.8**	2,401.8
Capital commitments	**546.6**	669.0
Total completed and committed	**3,374.4**	3,070.8

Debt facilities

At the beginning of the year funding draws commenced on Newton Place and Elephant and Castle Town Centre development debt facilities to progress with construction.

The Portlands Place development loans, with a total balance of £163.0 million at the year end, are due to mature in September 2023. The refinancing of this debt is in progress with strong lender interest and we anticipate closing this refinancing in advance of the maturity date of the development loans. Looking further ahead to March 2024 the £32.6 million New Maker Yards Phase 1 debt facility will require refinancing whilst the £64.8 million New Maker Yards Phase 2 facility will require refinancing unless an option is taken to extend the facility for one more year.

Whilst there has been an increase in the cost of borrowing, Get Living has benefitted from holding long term debt at favourable fixed interest rates, with minimal exposure on floating rate debt facilities due to hedging in place. Of the total external loan balance at 31 December 2022, 69.2% has fixed interest, whilst the floating rate debt was 96.4% hedged.

Average cost of debt in 2022 is 3.2% (31 December 2021: 2.7%) and weighted average maturity of debt is 6.5 years (31 December 2021: 7.8 years).

Total debt

At 31 December 2022, the Group had access to debt facilities totalling £1,729.8 million (31 December 2021: £1,721.0 million) and drawn debt totalling £1,352.9 million (31 December 2021: £1,177.4 million). £66.5 million (31 December 2021: £67.2 million) of free cash was held as at the year end, resulting in Group net debt of £1,286.4 million (31 December 2021: £1,110.2 million).

The Group had two assets on site under construction at the year end with committed development costs of £546.6 million (31 December 2021: £669.0 million).

Headroom on the Group's available debt facilities totals £376.9 million (31 December 2021: £543.6 million).

The Group's aggregate Loan to Value ratio as at 31 December 2022, including all debt facilities, was 47.2% (31 December 2021: 46.2%).

Outlook

Following a record financial performance in 2022 with strong rental income growth, Get Living is well positioned for further growth and success with a strong balance sheet, competitively priced debt and supportive investors.

Subsequent to the year end, Australian superannuation fund Aware Super has exchanged with QD UK Holdings LP to purchase their 22% stake in Get Living and join our investor group which is a huge vote of confidence to our business.

We acknowledge the risks associated with upcoming refinancing and other external headwinds and are confident that we are well equipped to face the challenges ahead. We will continue to capitalise on rental growth as demand is expected to continue into 2023 and look for opportunities to drive efficiencies in our operations and deliver strong returns to our investors.

2023 will see the launch of Newton Place with Elephant and Castle Town Centre following in 2026, unlocking further growth to support our ambition to realise value through operational scale.

Dan Greenslade
Chief Financial Officer
27 April 2023

The Strategic Report was approved by the Board of Directors and signed on its behalf by:

James Boadle
Director
27 April 2023

CORPORATE GOVERNANCE

Corporate governance report

Enhanced and adaptable governance, supporting Get Living's strategy.

Introduction

Effective corporate governance is a key requirement for the Group. For the year ended 31 December 2022, under The Companies (Miscellaneous Reporting) Regulations 2018, Get Living has applied the Wates Corporate Governance Principles for Large Private Companies (the "Wates Principles") as its framework for disclosure regarding its corporate governance arrangements. We continue to support our business to deliver on our strategy in an ever-changing regulatory environment. Corporate governance at Get Living is about running the business in the right way in order to realise value in our neighbourhoods for the benefit of all our stakeholders and is treated as a core discipline that complements our need to improve the performance of the business on behalf of our stakeholders. In this section we provide details of our Board members, the Executive Team and the role of the Board and its Committees.

The Board

The Board currently comprises three Non-executive Directors, all of whom are independent from the management team of the Group. The Board is responsible for setting the overall Group strategy and investment policy, monitoring Group performance and authorising all property acquisitions.

To assist it in discharging these responsibilities, it receives regular financial and operational reports from the Executive Team. It also monitors updates on regulatory issues and corporate governance rules and guidelines on a regular basis.

The Board meets at least four times per year and has adopted a schedule of reserved matters for decision making.

The Board has established an Audit Committee and a Remuneration Committee and continues to support the ongoing development of these Committees in support of the adoption of the Wates Corporate Governance Principles.

Accountability and audit

The Board's responsibilities with regard to the financial statements are set out from page 67. The Independent auditor's report is given on pages 60 to 66.

Internal control

The Board recognises its ultimate responsibility for the Group's system of internal control. It is actively developing procedures for identifying, evaluating and managing risks that the Group is exposed to and has identified risk management controls in the key areas of business objectives, accounting, compliance and operations as areas for the continual review. These procedures have operated throughout the year and up to the date of approval of the Annual Report and audited financial statements. It has, however, to be understood that systems of internal control, however carefully designed, operated and supervised, can provide only reasonable and not absolute assurance against material misstatement or loss.

A description of the Group's operations and the strategy which it employs to maximise returns whilst minimising risks can be found on pages 40 to 43.

Our governance structure

The Board

- Responsible for the long-term success of the business
- Development of strategy
- Determines the nature and extent of significant risks

Audit Committee

- Oversees quality of financial reporting
- Provides assurance on internal controls, risk management and audit processes

Operating Committee

- Approves routine business matters between Board meetings

Remuneration Committee

- Sets remuneration policy
- Approves level of remuneration and Board appointments
- Ensures appropriate balance of skills and experience on Board

Each of the above Committees report on their activities to the Board.

Wates Principles application

The Board considers that Get Living successfully applies the Wates Principles, through the corporate governance practices described above.

Principle One
Purpose and leadership

The Board implements a five-year plan which supports our vision to build the exemplary UK BtR platform delivering quality homes to our residents whilst contributing to local communities and ensuring that Get Living values, strategy and culture align with our overall purpose. An annual Board Strategy Away Day has been introduced in the year, which shares the vision, purpose and mission of the Board and provides an open forum to discuss the strategic direction and expected challenges and opportunities. Details of the Board Strategy are set out on pages 14 to 16.

Principle Two
Board composition

The Board currently comprises three Non-executive Directors and an independent Chair, all of whom are independent from the management team of the Group. The Remuneration Committee reviews the structure, size and composition of the Board and its committees and makes recommendations with regard to any changes considered necessary in the identification and nomination of new Directors, the reappointment of existing Directors and appointment of members to the Board's committees. It also acts as a forum to assess the roles of the existing Directors in office to ensure that the Board and Executive Team are balanced in terms of skills, knowledge, experience and diversity. The Chair is responsible for the effectiveness of the Board. Details of the Board and Executive Team composition are set out on pages 50 and 51.

Principle Three
Director responsibilities

The Board meets on a quarterly basis and has delegated the day-to-day operation of the business to the Executive Team. The Executive Team meets at least monthly to review the operational performance of the business.

The Board and Executive Team have a clear understanding of their accountability and responsibilities. To assist in discharging their duties, the Board has established an Audit Committee and Remuneration Committee and has delegated appropriate levels of authority to the Executive Team. The delegated authorities and reserved matter procedures support effective decision-making and independent challenge. The Group has clear corporate governance practices in place, with clear lines of accountability and responsibility. Details of the Board Committees are set out on pages 52 to 55.

Principle Four
Opportunity and risk

Strategic opportunities are identified through the five-year strategy planning process which includes input from all areas of the business. The five-year plan is reviewed and acknowledged by the Board on an annual basis.

The Executive Team regularly reviews risks and how these are mitigated and managed across all areas of Get Living's business activities. Risk is considered at every level of the Group's operations and the risk management process ensures prompt assessment and response to risk issues that may be identified at any level of the Group's business. The Board's approach to oversight of the identification and mitigation of risks can be found in the Strategic Report on pages 40 to 43.

Principle Five
Remuneration

The Board promotes executive remuneration structures aligned to the long-term sustainable success of the Group, taking into account pay and conditions elsewhere in the business. The Remuneration Committee's role is to seek and retain the appropriate calibre of people on the Board and Executive Team for the Group and recommends remuneration levels to the Board consistent with prevailing market conditions, peer group companies and roles and responsibilities. Details of the Directors' pay policy is provided in the Remuneration Committee Report on page 55.

Principle Six
Stakeholder relationships and engagement

At Get Living, listening to and engaging effectively with our stakeholders is key to ensuring the right decisions are made. As a result, the relationships with our stakeholders are key to the long-term success of the Group. The Board and Executive Team are responsible for overseeing meaningful engagement with stakeholders, including employees, and having regard to their views when taking decisions. Details of the Company's stakeholder engagement are set out in the s172 statement on pages 28 and 29.

THE RIGHT MIX OF EXPERIENCE AND EXPERTISE

James Boadle
Non-executive Director

James is Senior Vice President, Europe and a member of the European leadership team at Oxford Properties ("Oxford"). Oxford is the real estate arm of OMERS, one of the largest Canadian Pension plans. He is responsible for logistics and residential strategies across Europe, as well as the development of Oxford's wider European strategy.

James has over 15 years' track record in the real estate sector with global transaction experience across all major asset classes, including residential, office, retail and industrial, and has led Oxford's involvement into the UK residential private rented sector through DOOR. Prior to joining Oxford, James spent seven years at real estate advisory firms Savills and CBRE.

James is a member of the Investment Property Forum (IPF) and the Royal Institution of Chartered Surveyors (RICS).

Mabel Tan
Non-executive Director

Mabel is Director of Asset Management for Qatari Diar Europe, a wholly owned subsidiary of Qatari Diar Real Estate Investment Company which is owned by the Qatari Investment Authority, the sovereign wealth fund of the State of Qatar. It is the specialist real estate arm of the Qatar Investment Authority with a significant presence in the UK and the US.

Mabel has over 20 years' experience in finance and investments. Prior to joining Qatari Diar in 2008, Mabel developed new commercial projects, including JVs and acquisition opportunities for Group RCI, a division of Wyndham Worldwide.

Mabel is a board member of various entities in the UK and Montenegro.

Rafael Torres Villalba
Non-executive Director

Rafael is a Senior Portfolio Manager at APG Asset Management, focusing on APG's European residential investment. APG is the pension fund manager for the Dutch civil servants pension fund ABP.

Rafael has been working for APG's real estate group for more than 20 years, working on both Asian and European real estate. After heading the European real estate team for close to 15 years, he has taken responsibility for some of the residential investments in APG's portfolio. His skillset entails both transactional as well as portfolio management skills.

Rafael is a board member of the Spanish PRS Socimi Vivenio and Oslo based shopping centre company Steen & Strom.

Jeremy Helsby
Non-executive Chair

Jeremy provides strategic advice and support for Get Living as it continues to deliver on its ambitious growth plans.

Jeremy has immensely deep real estate and operational expertise gained from his 40-year tenure at Savills, 11 years of which were spent as Chief Executive, prior to his retirement in 2019.

LEADERSHIP THAT INSPIRES AND EMPOWERS

Rick de Blaby
Chief Executive Officer

Rick joined Get Living in 2017 as Executive Vice Chairman before being appointed as Chief Executive Officer in 2019. He is focused on growing Get Living's platform across the UK, creating new BtR neighbourhoods that change the way we live in cities.

With a demonstrated track record of regenerating urban areas, Rick has 40 years of real estate development and investment experience across both residential and commercial property. Prior to Get Living, he was CEO of United House Group and CEO of MEPC.

Dan Greenslade
Chief Financial Officer

Dan joined Get Living as Chief Financial Officer in 2022 and is responsible for all aspects of Get Living's financial management, reporting and debt strategy. With more than 20 years of finance experience, Dan brings a deep track record of building a robust finance operation to support a company during its growth phase.

Before joining Get Living, Dan was Director of Group Finance at Logicor, a leading European owner and manager of logistics real estate, where he spent more than five years. Prior to Logicor, Dan spent over four years at Quintain. He qualified as a Chartered Accountant at PwC.

Ailish Christian-West
Chief Operating Officer

Ailish was appointed as Director of Real Estate at Get Living in 2020 before becoming Chief Operating Officer in 2022. She is accountable for Get Living's existing £2.8 billion build-to-rent portfolio, including retail and public realm space. She provides strategic leadership to operational asset management, developments and ESG.

Ailish has more than 20 years' experience in UK real estate. Prior to Get Living, she was Head of Property at Landsec and during the year was President of Revo, the placemaking and retail property organisation.

Audit Committee report

Stephen Murphy (Chair)

MONITORING REPORTING AND RISK

Members of the Audit and Risk Committee (the "Committee")

During the year, two meetings were held.

Members of the Committee

- Stephen Murphy (as Chair)
- Nick Sissling (replacing Alison Lambert effective 18 October 2022)
- Rafael Torres Villalba

Responsibilities

The main roles and responsibilities of the Audit Committee include:

- monitoring the integrity of the Group's annual and interim financial statements, ensuring they are fair, balanced and understandable and reviewing significant financial reporting issues and judgements contained therein;
- reviewing the Group's systems of financial control and risk management;
- making recommendations to the Board on the appointment of the external auditor and approving its remuneration and terms of engagement;
- monitoring and reviewing the external auditor's independence, objectivity and effectiveness, taking into account professional and regulatory requirements; and
- annually considering the need for an internal audit function.

Report on the Committee's activities during the year

During the year, the Committee discharged its responsibilities by:

- reviewing the Group's draft financial statements for the year ended 31 December 2021 and draft unaudited interim financial statements for the period to 30 June 2022 prior to discussion and approval by the Board, and reviewing the external auditor's report on the annual financial statements;
- advising the Board on whether the Annual Report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, position, business model and strategy;
- reviewing the continuing appropriateness of the Group's accounting policies;
- considering the potential implications of forthcoming changes in accounting standards for the Group;
- reviewing the auditor's plan for the audit of the Group's December 2022 financial statements, receiving and reviewing confirmations of auditor independence and approving the terms of engagement and proposed fees for 2022;
- considering the qualifications, expertise, resources and independence of the auditor through reviews of its reports and performance; and
- recommending the reappointment of the auditor.

Significant accounting matters

The Committee considers all financial information published in the Annual Report and unaudited interim report and considers accounting policies adopted by the Group, presentation and disclosure of financial information and, in particular, the key judgements made in preparing the financial statements. For December 2022, the primary risks identified were in relation to the valuation of the property portfolio (including the net realisable value of trading property), going concern and revenue recognition.

Valuation of the property portfolio

The Group has property assets of £2,727.8 million, including investment property of £2,659.2 million and trading property of £68.6 million, as detailed in the Group balance sheet. As explained in note 12 to the financial statements, investment property is independently valued by CBRE in accordance with RICS valuation standards in the United Kingdom and IAS 40 Investment Property. The Audit Committee reviewed and discussed with management the judgements and assumptions made in respect of the property valuation, reviewed the valuer's report and the auditor's comments thereon, and concluded that the valuation is appropriate.

Net realisable value of trading property

The Group's trading property is stated at the lower of cost and net realisable value ("NRV"). NRV is calculated with reference to the expected selling price, less the estimated costs of completion and the estimated costs necessary to make the sale, discounted to the net present value. The Audit Committee reviewed and discussed with management the judgements and assumptions made in respect of the net realisable value of trading property and concluded that the valuation is appropriate.

Going concern

The Committee has reviewed Management's going concern assessment for the period to 30 June 2024 in order to assess the requirements of the Group over that period and the appropriateness of adopting the going concern basis of accounting in preparing the full year financial statements.

Despite the buoyant rental market, driven in part by a market supply and demand imbalance, the going concern assessment has been performed against the backdrop of a subdued global economic outlook. The Directors have therefore considered a base case, a downside scenario, and performed reverse stress testing, in consideration of the potential future risks of economic uncertainty and further recession related to macro-economic events; the crisis in Ukraine and aftermath of the global pandemic driving global supply constraints leading to high inflation and a cost of living crisis, along with high interest rates as a result of UK political instability and policy changes. The Directors have also considered the payment subsequent to the year end of £18.9m to HMRC, and the receipt of £7.0m funding from shareholders in March 2023 in the going concern assessment. The Directors also evaluated potential events and conditions beyond the period ending 30 June 2024 that may cast significant doubt on the Group's ability to continue as a going concern, with no significant transactions or events of material uncertainty identified.

The Directors are confident in the Group's ability to refinance debt facilities expiring during the going concern period. The Directors have held discussions with a number of potential lenders on the refinancings and a series of competitively priced indicative quotes have been received (subject to credit committee approval). The Directors are confident that the market appetite for lending against PRS assets remains strong and that Get Living PLC is well placed to secure the required financing on both the Portlands Place and the New Maker Yards Phase 1 and Phase 2 debt facilities which fall due in the going concern period. However, if the Group is not successful in refinancing the debt facilities, it will be reliant on shareholders providing funds to support the repayment of existing debt facilities, in addition to the shareholder funding assumed in the base case scenario. The Directors have therefore concluded that there is a material uncertainty with respect to refinancing the Portlands Place, New Maker Yards Phase 1 and New Maker Yards Phase 2 debt facilities which may cast significant doubt over the Group and Company's ability to continue as a going concern.

The Board believe that, subject to the material uncertainty relating to achieving the refinancing described above, the Group will be able to manage its business risks successfully, and the Group's forecasts and projections show that the Group will be able to operate within the level of its available liquidity and covenant requirements. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements, however, the matters described above result in the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

Revenue recognition

The Group recognised revenue of £99.2 million of which £83.4 million relates to rental income. The Audit Committee reviewed and discussed with management revenue recognition and the auditor's comments thereon and concluded that the revenue recognition is appropriate.

Review of risk management and internal control processes

The Audit Committee is responsible for reviewing the adequacy and effectiveness of the Group's risk management processes and systems of internal control.

Following its own assessment and the management report and the work it performed on risk management and internal control procedures, the Committee believes that the key risks facing the business have been correctly identified and disclosed in the Risk management section of the Strategic Report on pages 40 to 43.

In addition, the Committee believes that, although robust, the Group's systems of internal control are designed to manage, rather than eliminate, the risk of failure to achieve the Group's business objectives. Therefore, the system can provide only reasonable and not absolute assurance against material misstatement or loss.

Audit Committee report continued

Financial reporting

The Board is responsible for the Annual Report. The Audit Committee is asked to review the Annual Report and consider whether it is fair, balanced and understandable and provides the necessary information for shareholders to assess the Group's position, performance, business model and strategy.

In undertaking its assessment, the Committee considered:

- the systems and controls operated by management around the preparation of the accounts;
- the procedures included in these to bring relevant information to the attention of those who prepare the accounts;
- the consistency of the reports; and
- whether they are in accordance with the information provided to the Board during the year.

It also considered whether the Annual Report had been written in clear and concise language and without unnecessary repetition of information, and that market-specific terms and any non-statutory measures had been adequately defined or explained.

The Audit Committee has reviewed the contents of the December 2022 Annual Report and financial statements and confirmed to the Board that, in its view, the report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

Auditor independence

The Group's policy ensures independence and objectivity of the external auditor and compliance with the FRC Ethical Standards; the Group may procure certain non-audit services from the external auditor. All other proposed engagements must be submitted to the Committee for approval prior to engagement. Details of the amounts paid to the external auditor during the year for audit and other services are set out in note 9 to the Group financial statements.

The external auditor was engaged for tax related services being the only non-audit assignments during the year. Its engagement was not deemed to compromise its objectivity and independence as sufficient safeguards were in place.

Effectiveness of external auditor

The effectiveness of the audit process is dependent on appropriate audit risk identification at the start of the audit cycle. The Committee received from Ernst & Young LLP a detailed audit plan, identifying its assessment of these key risks. For 2022, the primary risks identified were in relation to the valuation of the property portfolio, going concern and revenue recognition.

The Board takes responsibility for exercising judgement when necessary in preparing the Annual Report and financial statements. It prepares and reviews papers provided to the auditor setting out its judgements and approaches taken to specific items. The work undertaken by the auditor in this area to test management's assumptions and estimates is challenged by the Audit Committee, which assesses the effectiveness of the audit process through the reporting received from Ernst & Young LLP at year end. The Committee is satisfied with the effectiveness of the auditor and therefore recommends its reappointment.

The Committee assesses the effectiveness of the external auditor on an annual basis. Following the completion of the December 2022 year end audit, the Committee conducted its review and considers that the audit was appropriately planned and scoped efficiently and effectively performed by Ernst & Young LLP. The Committee is satisfied that Ernst & Young LLP continued to perform effectively as the external auditor.

Audit tender policy

The Audit Committee will consider the need for a competitive tender for the role of external auditor at least every ten years and recommend to the Board if a tender process is felt to be appropriate.

The tender process will be administered by the Audit Committee which will consider whether to seek major investors' views on the audit firms to be invited to tender and success criteria to be used by the Group in the course of the tender.

If a tender is conducted as part of a normal tender cycle, the incumbent auditor will be invited to participate in the tender unless prohibited due to specific factors such as independence.

The Audit Committee will make a recommendation to the Board of its preferred appointee.

The current external auditor, Ernst & Young LLP (EY) was appointed in 2018. Graeme Downes is the audit partner and has held the role since 2022.

Internal audit

The Audit Committee considers annually the requirement for an internal audit function and the Board, on the recommendation of the Audit Committee, having regard to the matters considered above, has concluded that one is not currently required.

The Audit Committee

27 April 2023

Remuneration Committee report

Jeremy Helsby (Chair)

ALIGNING TO BUSINESS PERFORMANCE

Members of the Remuneration Committee (the "Committee")

During the year, four meetings were held, and these were attended by shareholder representatives.

Members of the Committee

- Jeremy Helsby (as Chair)
- Mabel Tan
- James Boadle
- Rafael Torres Villalba
- Stafford Lancaster

The Remuneration Committee's role is to seek and retain the appropriate calibre of people on the Board and Executive Team for the Group and recommend remuneration levels to the Board consistent with prevailing market conditions, peer group companies and roles and responsibilities. Executive remuneration structures are aligned to the long-term sustainable success of the Group, taking into account pay and conditions elsewhere in the business. A recommendation is then made to the Board.

The Remuneration Committee also acts as a forum to assess the roles of the existing Directors in office to ensure that the Board is balanced in terms of skills, knowledge, experience and diversity.

Responsibilities of the Committee

The principal responsibilities of the Committee are:

- setting the remuneration framework or policy for all Directors, Executives and senior managers;
- reviewing the ongoing appropriateness and relevance of the remuneration policy;
- within the terms of the approved policy, determining the total individual remuneration package of each Director, Executive and senior manager;
- agreeing the policy on the recovery of expenses incurred whilst performing duties; and
- reporting to shareholders on the implementation of the remuneration policy in accordance with relevant statutory and corporate governance requirements.

Committee's activities during the year

The Committee met four times during the year, to discuss the remuneration of the Executive Team, which included approving the grants of long-term incentive plans, setting specific targets for the annual bonus and reviewing progress against the long term incentive plan. The Committee also considered external, publicly available survey information of remuneration levels paid by similar companies in making any recommendation to the Board. The Committee agreed that there is no remuneration for the Directors for the year. This is in line with previous reporting periods.

The Remuneration Committee
27 April 2023

Directors' report

The Directors present their Annual Report including audited Group financial statements for the year ended 31 December 2022. This report should be read together with the Corporate Governance Report on page 48.

Directors

The Directors who served during the year, and at the date of this report, were:

- James Boadle (appointed 17 October 2019)
- Mabel Tan (appointed 18 August 2020)
- Rafael Torres Villalba (appointed 30 June 2021)

Future developments

In the coming year, the Directors will continue the proactive investment and management of the BtR schemes and will continue to work on the building phases of its BtR developments including Newton Place and Elephant and Castle Town Centre. Details of these developments are included in the Portfolio Review section from pages 26 to 27.

Going concern

The financial statements have been prepared on a going concern basis. The Directors have prepared cash flow forecasts for the period to 30 June 2024 in order to assess the requirements of the Group and Company over that period (the "going concern period"). Despite the buoyant rental market, driven in part by a market supply and demand imbalance, the going concern assessment has been performed against the backdrop of a subdued global economic outlook. The Directors have therefore considered a base case, a downside scenario, and performed reverse stress testing, in consideration of the potential future risks of economic uncertainty and further recession related to macro-economic events; the crisis in Ukraine and aftermath of the global pandemic driving global supply constraints leading to high inflation and a cost of living crisis, along with high interest rates as a result of UK political instability and policy changes. The Directors have also considered the payment subsequent to the year end of £18.9m to HMRC, and the receipt of £7.0m funding from shareholders in March 2023 in the going concern assessment.

In the base case scenario:

The Directors have performed a detailed going concern review based on the Board approved 2023 budget, which reflects current trading trends at high occupancies for stabilised assets, a strong launch of lease-up assets and continued strong rental growth, with revenue on stabilised assets forecast to increase approximately in line with inflationary trends between 2022 and 2023. The impact of inflation on costs over the going concern period has been incorporated into this scenario. Key assumptions in the base case scenario include:

- The Group successfully refinances the debt facilities on its Portlands Place asset ahead of the maturity date of September 2023, and its New Maker Yards Phase 1 and Phase 2 debt facilities ahead of their maturity date in March 2024. The Group has the option to extend the New Maker Yards Phase 2 facility for one year to March 2025, subject to meeting certain conditions which the Group are confident can be achieved.
- The Group receives further capital from its investors to meet the costs of carrying out fire safety remedial works.
- The Group receives further capital from its investors to meet non-contractual commitments specifically for the development of other plots at East Village. If funding is not obtained, the Group has the option not to enter into these transactions.

In the downside scenario, the Board has considered a severe but plausible scenario which considers the following assumptions:

- Reduced occupancy across the Group's assets and downward pressures on pricing, modelled based on an extended economic downturn. This scenario assumes a 10% decrease from the base case in PRS, student and retail revenues. This scenario also models a 10% increase in void unit and 15% increase in bad debt costs.
- Various mitigation measures that would need to be exercised including the deferral of certain discretionary operating costs, development and capital expenditure. The Directors are confident these mitigating actions can be executed in the necessary timeframe if required and are within the control of Management. The use of these mitigations would not have a resultant impact on the forecast revenues.
- There are no breaches of loan facility covenants.
- The Group receives no further funding from shareholders.

Based on the downside scenario, assuming the debt facility refinancings in the going concern period are achieved and the controllable mitigations are actioned, the Directors assess that the Group has sufficient cash reserves to operate as a going concern. This judgement is based upon:

- Reference to the approved budget for the year ended December 2023, through which shareholders have agreed to provide funding for fire safety costs and non-contractual commitments for development plots.
- The Directors have considered the financial ability of the investors and assess they have sufficient cash resources to provide the funding committed.
- In the scenario where no further shareholder funding is received the Group has sufficient cash reserves to meet its liabilities after executing the mitigating actions which are within the control of Management.

The Group also performed a reverse stress test over the impact of a fall in its property valuations during the going concern period, with an unprecedented percentage fall not even seen during the Covid-19 pandemic required to result in a loan to value covenant breach, a decrease not historically seen by the Group. This is therefore considered to be a remote possibility during the going concern period.

The Directors also evaluated potential events and conditions beyond the period ending 30 June 2024 that may cast significant doubt on the Group's ability to continue as a going concern, with no significant transactions or events of material uncertainty identified.

The Directors are confident in the Group's ability to refinance debt facilities expiring during the going concern period. The Directors have held discussions with a number of potential lenders on the refinancings and a series of competitively priced indicative quotes have been received (subject to credit committee approval). The Directors are confident that the market appetite for lending against PRS assets remains strong and that Get Living PLC is well placed to secure the required financing on both the Portlands Place and the New Maker Yards Phase 1 and Phase 2 debt facilities which fall due in the going concern period. However, if the Group is not successful in refinancing the debt facilities, it will be reliant on shareholders providing funds to support the repayment of existing debt facilities, in addition to the shareholder funding assumed in the base case scenario. The Directors have therefore concluded that there is a material uncertainty with respect to refinancing the Portlands Place, New Maker Yards Phase 1 and New Maker Yards Phase 2 debt facilities which may cast significant doubt over the Group and Company's ability to continue as a going concern.

The Board believe that, subject to the material uncertainty relating to achieving the refinancing described above, the Group will be able to manage its business risks successfully, and the Group's forecasts and projections show that the Group will be able to operate within the level of its available liquidity and covenant requirements. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements, however, the matters described above result in the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The consolidated financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

Financial risk management objectives and policies

Financial risks include interest rate risk, credit risk and liquidity risk. These risks, and management objectives and policies in relation to these risks, are described further in note 23 to the financial statements.

Charitable and social donations

The Group made charitable donation contributions of £31k (December 2021: £nil) and community project contributions of £188k (December 2021: £157k) during the year.

Greenhouse gas emissions and energy use

On a like-for-like basis, Greenhouse gas emissions (GHG) for the Group increased by 1% (December 2021: decrease of 5%) whilst energy usage increased by 5% during the year (December 2021: 1%) which suggests that head demand has not reduced in proportion with the relatively mild winter. The measurement approach taken follows guidance provided by the GHG and INREV Sustainability Reporting Guidelines. Please refer to our Statement of GHG Emissions and Energy Usage in "sustainability and governance" section of the Strategic Report.

Stakeholder engagement

The Group continued to foster business relationships during the year. Please refer to the Group Section 172 statement on pages 28 and 29.

Dividends

No dividends were recommended or paid to shareholders during the year (December 2021: nil).

Staff policies

The Group seeks to involve all employees in the development of the Group's business. The Group undertakes to provide employees with information of concern to them that is likely to affect their interests.

The Group supports the principle of equal opportunities in employment and opposes all forms of discrimination. Every step is taken to ensure that individuals are treated equally and fairly, and decisions on recruitment, training, promotion and career development are based only on objective and job-related criteria. The Group gives full and fair consideration to applications for employment from disabled persons and also seeks to continue to employ, with suitable training, if appropriate, any person who becomes disabled whilst employed by the Group.

Subsequent events

Subsequent to year end QD UK Holdings LP, one of the Group's controlling parties, exchanged on a transaction to dispose of its entire shareholding in Get Living PLC to Aware Super. There are no further subsequent events that impact the Group.

Subsequent to the year end the Group made a payment of £18.9 million to HMRC as part of an agreement signed in March 2023 to settle an ongoing tax enquiry. The settlement of this balance confirms that the Group had a present obligation at the end of the reporting period and therefore the Group has recognised a provision for £18.7m, refer to note 18.

Directors' statement as to disclosure of information to auditor

The Directors who were members of the Board at the time of approving the Directors' report are referred to on page 56. Each of the Directors in office at the date that this Annual Report and financial statements were approved confirms that:

- to the best of each Director's knowledge and belief, there is no relevant audit information (that is, information needed by the Group's auditor in connection with preparing its report) of which the Group's auditor is unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Group's auditor is aware of that information.

Directors' indemnity

The Group has in place appropriate Directors' and Officers' liability insurance cover in respect of potential legal action against its Directors. These indemnities are qualifying third-party indemnity provisions as defined by Section 234 of the Companies Act 2006. The indemnities were valid throughout the year and are currently valid.

Auditor

In accordance with Section 485 of the Companies Act 2006, a resolution for the reappointment of Ernst & Young LLP as auditor of the Group is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.

James Boadle
Director
27 April 2023

Statement of Directors responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK-adopted international accounting standards (IFRSs), and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs and in respect of the Company financial statements, FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- in respect of the Group financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the Company financial statements, state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and/or the Group will continue in business.

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

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' report, that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

FINANCIAL STATEMENTS

Independent auditor's report

to the members of Get Living PLC

Opinion

In our opinion:

- Get Living PLC's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Get Living PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise:

Group	Parent company
Consolidated statement of financial position as at 31 December 2022	Statement of financial position as at 31 December 2022
Consolidated statement of comprehensive income for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of changes in equity for the year then ended	Statement of cash flows for the year then ended
Consolidated statement of cash flows for the year then ended	Related notes 1 to 16 to the financial statements including a summary of significant accounting policies
Related notes 1 to 38 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that there is a material uncertainty relating to the refinancing of the Portlands Place, New Maker Yards 1 and New Maker Yards 2 debt facilities which fall due in the going concern period. As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's and parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and parent company's ability to continue to adopt the going concern basis of accounting included:

- We obtained Management's going concern assessment, including the cash flow forecast and covenant calculations covering the going concern period to 30 June 2024.
- We understood the process followed by Management to prepare the Group's going concern assessment, including the going concern period considered by Management, identifying, and assessing the impact of a severe but plausible downside scenario in their cash flow forecasts and covenant calculations in order to assess the forecast liquidity and covenant compliance of the Group.
- We challenged the appropriateness of Management's base case and severe but plausible downside forecasts by assessing historical forecasting accuracy, the reasonableness of assumptions, including forecast occupancy, rental rates and operating costs, by reference to historical performance, post year end occupancy rates, external industry forecasts and the perspective of our Chartered Surveyors in assessing the potential reductions in property valuations in the going concern period.
- We challenged Management's consideration of a severe but plausible downside scenario, and performed our own additional stress testing to cash collections and valuations where appropriate to test the impact on liquidity and covenant compliance. We also carried out reverse stress testing and assessed the likelihood of such conditions arising that would lead to the group utilising all liquidity or breaching its financial covenants during the going concern period.

Material uncertainty related to going concern continued

- We evaluated whether the covenant requirements of the debt facilities would be complied with under the scenarios prepared by Management and our additional stress testing scenarios including assessing the impact of the timing of these events.
- We challenged the availability of mitigating factors included in the cash flow forecasts such as removing cash flows relating to uncommitted development costs and evaluated Management's ability to control the level and timing of these outflows as mitigating actions if required. We assessed this through our understanding of the business and the presence of any contrary evidence.
- We challenged the ability of the investors to provide funding if required, by researching the financial health of the investors and assessing any indicators that the financial support would not be forthcoming.
- We challenged Management's view on the probability of being able to refinance the Portlands Place, New Maker Yards 1 and New Maker Yards 2 debt facilities in the going concern period. Our audit procedures include the perspective of EY Debt Advisory Specialists on the probability of being able to refinance, understanding how far discussions have progressed with prospective lenders and assessing the historical trends of debt refinancing when required.
- We reviewed minutes of board meetings with a view to identifying any matters which may impact the going concern assessment. We inspected Management's assessment of tax exposure relating to land and property transactions to identify any matters which may impact the going concern assessment.
- We inspected evidence to support the £18.9m tax settlement paid to HMRC and receipt of £7.0m shareholder funding, both of which occurred after the year end.
- We reviewed the Group's going concern disclosures included in the annual report in order to assess whether the disclosures were appropriate and in conformity with the reporting standards.

Going concern has also been identified as a key audit matter.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant statement is not a guarantee as to the group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed the audit of the group as if it were a single aggregated set of financial information
Key audit matters	• Valuation of the property portfolio • Revenue recognition • Going concern basis used in the preparation of the financial statements
Materiality	• Overall group materiality of £29.7m which represents 1% of total assets.

An overview of the scope of the parent company and group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We performed the audit of the group as if it were a single aggregated set of financial information. The audit was performed using the materiality level set out above and covered 100% of group revenue, group profit before tax and group total assets (December 2021: 100% of group revenue, group profit before tax and group total assets).

Climate change

Stakeholders are increasingly interested in how climate change will impact Get Living PLC. The Group has determined that the most significant future impacts from climate change on their operations will be from impacts of ESG requirements on operations, net zero carbon obligations and the potential impact of sustainable lending requirements. These are explained on pages 40 - 43 in the principal risks and uncertainties which form part of the "Other information", rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in the Strategic Report governmental and societal responses to climate change risks are still developing, and where the degree of certainty of these changes means that they cannot be taken into account when determining asset and liability valuations and the timing of future cash flows under the requirements of UK adopted international accounting standards.

Our audit effort in considering the impact of climate change on the financial statements was focused on ensuring that the effects of material climate risks disclosed on page 42 have been appropriately reflected in the valuation of the property portfolio and the going concern assessment where values are determined through modelling future cash flows, including those related to climate risks. Details of our procedures and findings on the valuation of the property portfolio are included in our key audit matters below.

Independent auditor's report continued

to the members of Get Living PLC

An overview of the scope of the parent company and group audits continued

Climate change continued

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the material uncertainties related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Risk

Valuation of the property portfolio
Investment property
2022: £2,659.2m (December 2021: £2,366.2m)

Trading property
2022: £68.6m (December 2021: £35.6m)

Refer to the Audit Committee Report (pages 52 to 54); Accounting policies (pages 74 and 76); and Note 12 and 14 of the Consolidated Financial Statements (pages 81 to 83)

Investment properties are held at fair value. Trading properties are held at the lower of cost and net realizable value (NRV), though EPRA measures are also disclosed in the annual report which reflect the fair value of trading properties. The valuation of the property portfolio contains a high degree of estimation uncertainty. Additionally, the potential for manipulation of the underlying data provided to the third party valuer and influence on the significant judgements to meet investor expectations or performance targets or to avoid an impairment of trading properties give rise to a fraud risk.

In addition to the above, for all properties in development, there is an additional risk around completeness of forecasts costs to complete, and the allocation of capital expenditure between investment property and trading property.

Our response to the risk

We included Chartered Surveyors on our audit team and held discussions with the Group's external valuer, CBRE, to assess and challenge the appropriateness of the methodology adopted for each property.

Working with our EY Chartered Surveyors, we assessed:

- The appropriateness of the methodology adopted for the property valuations, including holding meetings with CBRE.
- We challenged whether the assumptions (yields, market rent, sales and cost assumptions for developments) adopted by the external valuers fall within a reasonable range based on knowledge and evidence from the market. This included performing benchmarking of the key inputs of the valuation against comparable build to rent schemes.
- We searched for transactional evidence which contradicted the inputs adopted by the valuer and challenged the valuer during our meetings with them.
- We reperformed valuation calculations, including sensitivity analysis over key assumptions, to determine a reasonable range of values for the entire portfolio of properties.

For operational properties:

- We agreed the contracted rental income at the valuation date to the assumed contracted rent per the valuation report.
- We assessed the 6-month trailing rents achieved across the properties and compared this to the market rents assumed by CBRE.
- We challenged the completeness of Management's identification of remediation works as a result of building and fire safety legislation through selecting a sample of fire risk assessments across the entire portfolio to assess the completeness of the provisions.
- For each property with remediation works required, we inspected the results of the fire risk assessments performed by Managements external specialist.
- We challenged Management over the completeness of the risks identified and the required costs to remediate the fire safety issues. This included obtaining evidence to support the remediation work such as signed contracts and forecast costs to complete.
- We read the contracts to determine whether the scope of works was sufficient to address the remediation works required per the fire risk assessments.
- We corroborated the costs to complete were appropriately included in the valuation of the property portfolio.

Key audit matters continued

Our response to the risk continued

For properties under development:

- On a sample basis, we vouched development expenditure to supporting evidence and determine whether these have been capitalised appropriately, including whether the allocation between investment and trading property was appropriate.
- We assessed the completeness of the costs to complete, including inspection of board minutes for contract variations, performing comparison of costs over time and vouching a sample of forecast costs to committed contracts or other supporting evidence.
- Compared total forecast costs at the year end in comparison to the prior year and investigated material changes.
- Assessed Management's split of the costs to complete for developments where costs are incurred across both investment and trading properties.
- We performed site visits and attended meetings with property development managers for a sample of properties. We inspected the stage of development, understood the key development risks and challenged the development managers on the costs to complete.

We also carried out the following procedures:

- We performed a walkthrough and identified the key controls over data used in the valuation of the property portfolio and Management's review of the valuations.
- We made inquiries with the valuer to determine whether any undue pressure had been placed on them to arrive at a particular valuation.
- Reconciled valuations to the financial statements and reviewed this for any caveats or limitations in scope, unusual terms or conditions.
- We evaluated the competence of the external valuers in performing the valuation of investment properties, including consideration of their qualifications, expertise and independence.

In addition to the above procedures, we performed the following procedures for trading property:

- We obtained the net realisable value (NRV) calculations from Management and assessed whether the properties were appropriately measured at the lower of cost and NRV. We assessed the reasonableness of the cash flows used to calculate the NRV, including the agreed sales price and development costs to complete.

Scope of our procedures
The whole Group was subject to audit procedures over the valuation of the property portfolio.

Key observations communicated to the Audit Committee

Based upon the audit procedures performed, we concluded that the valuation of the property portfolio has been recognised on an appropriate basis as at 31 December 2022.

The investment properties are appropriately recorded at their fair value. The trading properties are appropriately recorded at the lower of cost and NRV and are appropriately disclosed at fair value in the EPRA disclosures.

Risk

Revenue recognition
Rental income
2022: £83.4m (December 2021: £63.8m)

Trading property disposal
2022: £5.7m (December 2021: nil)

Revenue from development contracts
2022: £3.9m (December 2021: nil)

Other income
2022: £6.2m (December 2021: £6.9m)

Refer to the Audit Committee Report (pages 52 to 54); Accounting policies (page 76); and Note 6 of the Consolidated Financial Statements (page 79)

Investor expectations and profit based targets may place pressure on Management to distort revenue recognition. This may result in overstatement or deferral of revenues to assist in meeting current or future targets or expectations.

We consider that the risk lies within the revenue being overstated through fictitious leases, any top-side adjustments, and incorrect cut off.

Independent auditor's report continued

to the members of Get Living PLC

Key audit matters continued

Our response to the risk

We performed a walkthrough of the process and key controls over revenue recognition which have been designed by the Group to prevent and detect fraud and errors in revenue recognition.

We performed data analytics over the whole population of journals posted to revenue during the year to search for evidence of Management override or inappropriate journal postings. This involves investigating manual journal postings to revenue and journals with unusual account pairings.

For rental income:

- We obtained and used data from the property management system to form a highly granular expectation for the revenue recognised for every single lease using our lease analyser. We compared this detailed expectation at the tenant level to the General Ledger.
- We audited the integrity of the tenancy schedule downloaded from the property management system, agreeing a sample of lease information to the original lease documents or subsequent lease amendments and traced our sample through to cash receipts. Using this data we recalculated the expected rental income and deferred income balances, comparing this to the reported figures in the general ledger.
- From our sample we recalculated the total expected rental income for the year, and agreed this to cash receipts in December 2022 to confirm the completeness of the rental income recognised. We also considered any lease terms that could impact revenue but were not identified by Management.

For the trading property disposal:

- We obtained and read Management's technical accounting paper for the sale of N05, including an assessment of the timing of revenue recognition and determine whether the sale of N05 has been accounted for in accordance with IFRS 16.
- We reconciled the revenue recognised to relevant clauses in the lease agreement and cash receipts through the bank statement.
- We inspected the lease agreement and other supporting agreements related to the sale. We searched for evidence of any residual value held by the Group after the sale and whether any value should be recognised on balance sheet.
- We performed cut-off procedures on the timing of development costs, focusing on costs incurred during the month of sale and whether they were allocated to trading property pre or post sale.

For revenue from development contracts:

- We inspected Management's technical accounting paper, including an assessment of the identified performance obligations, allocation of the transaction price and the timing of revenue recognition to determine whether the construction income has been accounted for in accordance with the underlying contract, the stage of completion and IFRS 15.
- We reconciled total revenue forecast by management to the revenue contract. We inspected the entire agreement to identify any terms or conditions that would impact the revenue recognition that were not identified by Management.
- We challenged Management's treatment as to whether Get Living retain the control over the services provided, and whether they are the 'principal' or 'agent'.
- We recalculated the revenue recognised in accordance with the terms of the contract and verified completion of performance obligations through evidence to support completion.

For other income:

- We obtained Management's schedule of the allocation for the property maintenance costs between Get Living and the Non-Controlling Interest, including how these costs were apportioned between each property.
- We performed test of details, including sample testing, relating to the property maintenance costs incurred and the amounts recharged to the non-controlling interest. For the sample selected, we obtained evidence which supports the value and timing of the cost incurred and assessed whether the costs can be recharged in accordance with the underlying agreement.
- We tested a sample of the revenue transactions related to the Non-Controlling Interests properties and obtained evidence to challenge whether the revenue was being recognised in the Group financial statements appropriately, and, to search for any potential overstatement of Group revenue.
- We searched for any evidence of claims, correspondence or credit notes from the Non-Controlling Interest through inspection of board minutes, post year end bank statement testing and inquiries of the external property management team.

Scope of our procedures
The whole Group was subject to audit procedures over revenue recognition.

Key observations communicated to the Audit Committee

Based upon the audit procedures performed, we concluded that revenue has been recognised on an appropriate basis in the year.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

The table below sets out the materiality, performance materiality and threshold for reporting audit differences applied on our audit:

	Basis	Materiality (£m)	Performance materiality (£m)	Reporting threshold (£m)
Group (overall)	1% of total assets (December 2021: 1% of total assets)	£29.7 (December 2021: £26.2)	£22.3 (December 2021: £19.6)	£1.5 (December 2021: £1.3)
Group (specific) Related to revenue, expenses and working capital balances	3% of EBITDA	£0.89	£0.67	£0.05
Parent Company	1% of total assets (December 2021: 1% of total assets)	£12.8 (December 2021: £12.8)	£9.6 (December 2021: £9.6)	£0.6 (December 2021: £0.6)

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole. We determined that an asset-based measure would be the most appropriate basis for determining overall materiality given that key users of the Group's financial statements are primarily focused on the valuation of the Group's assets. Based on this, we determined that it is appropriate to set the overall materiality at 1% of total assets (2021: 1% of total assets). We applied overall materiality to all financial statement line items excluding those related to revenue, expenses and working capital balances.

In the current year, we determined that for revenue, expenses and working capital balances a misstatement of less than overall materiality for the financial statements as a whole could influence the economic decisions of users. For these accounts, we believe that it is most appropriate to use a profit-based measure as profit is also a focus of users of the financial statements. This change was made in order to more closely align with what we assess to be a primary focus of users of the financial statements, being a specific focus on balances which impact upon EBITDA. Based on this, we determined that it is appropriate to set the specific materiality at 3% of EBITDA.

During the course of our audit, we reassessed initial materiality which has not resulted in a change from our planning materiality.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2021: 75%) of our planning materiality, namely £22.3m (2021: £19.6m) and £0.67m respectively for overall and specific materiality levels. We have set performance materiality at this percentage based on our expectations of identifying material misstatements and the control environment supporting the prevention of material misstatement.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £1.5m (2021: £1.3m) and £0.05m respectively for overall and specific materiality levels, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor’s report continued

to the members of Get Living PLC

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors’ report.

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

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

Responsibilities of Directors

As explained more fully in the directors’ responsibilities statement set out on page 58, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK adopted international accounting standards) and the relevant tax regulations in the United Kingdom, including the UK REIT regulations and UK Building and Safety regulations.
- We understood how Get Living PLC is complying with those frameworks through enquiry with Management, and by identifying the policies and procedures regarding compliance with laws and regulations. We also identified those members of Management who have the primary responsibility for ensuring compliance with laws and regulations, and for reporting any known instances of non-compliance to those charged with governance.
- We assessed the susceptibility of the group’s financial statements to material misstatement, including how fraud might occur by reviewing the Company’s principal risks and uncertainties, enquiry with Management and the Audit Committee during the planning and execution phases of our audit.

Auditor’s responsibilities for the audit of the financial statements continued

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud continued

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:
  - Inquiring of members of Management, and when appropriate, those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements.
  - Reading minutes of meetings of those charged with governance.
  - Obtaining and reading correspondence from legal and regulatory bodies including HMRC.
  - Performing journal entry testing.

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

Use of our report

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

Graeme Downes (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
London
28 April 2023

Group statement of comprehensive income

	Notes	2022 £m	2021 £m
Revenue	6	**99.2**	70.7
Cost of sales	7	**(36.0)**	(24.8)
Gross profit		**63.2**	45.9
Administrative expenses		**(35.7)**	(28.3)
Valuation gain on investment property	12	**136.0**	61.9
Operating profit	8	**163.5**	79.5
Finance costs	10	**(36.7)**	(27.0)
Change in fair value of derivatives	21	**25.6**	5.8
Profit before taxation		**152.4**	58.3
Tax charge	11	**(16.1)**	(0.2)
Profit for the year		**136.3**	58.1
Total comprehensive income for the year		**136.3**	58.1
Attributable to:			
Equity holders of the parent		**136.3**	58.1
Non-controlling interests		**—**	—
Total comprehensive income for the year		**136.3**	58.1
Basic and diluted earnings per share (£)	35	**136.36**	58.03

Group statement of financial position

	Notes	2022 £m	(As restated*) 2021 £m
Non-current assets			
Investment property	12	**2,659.2**	2,366.2
Property, plant and equipment	13	**2.4**	2.8
Trade and other receivables	15	**5.8**	10.5
Derivative financial instruments	21	**31.7**	2.3
Total non-current assets		**2,699.1**	2,381.8
Current assets			
Trading property	14	**68.6**	35.6
Inventory		**0.1**	0.1
Trade and other receivables	15	**142.3**	115.8
Derivative financial instruments	21	**0.5**	—
Restricted cash	16	**13.5**	15.9*
Cash and cash equivalents	16	**66.5**	85.1*
Total current assets		**291.5**	252.5
Total assets		**2,990.6**	2,634.3
Current liabilities			
Trade and other payables	17	**(93.2)**	(126.0)
Income tax payable		**(0.5)**	(0.7)
Loans and borrowings	20	**(270.0)**	(97.8)
Derivative financial instruments	21	**—**	(0.3)
Provisions	18	**(33.0)**	—
Total current liabilities		**(396.7)**	(224.8)
Non-current liabilities			
Long-term other payables	19	**(7.9)**	(12.2)
Loans and borrowings	20	**(1,072.3)**	(1,067.3)
Derivative financial instruments	21	**—**	(0.6)
Total non-current liabilities		**(1,080.2)**	(1,080.1)
Total liabilities		**(1,476.9)**	(1,304.9)
Net assets		**1,513.7**	1,329.4
Equity			
Share capital	27	**1.0**	1.0
Distributable reserve	27	**783.6**	783.6
Consolidation reserve	27	**(10.8)**	(10.8)
Retained earnings	26	**150.5**	14.2
Other equity reserves	25	**589.3**	541.3
Equity attributable to equity holders of the parent		**1,513.6**	1,329.3
Non-controlling interests	28	**0.1**	0.1
Total equity		**1,513.7**	1,329.4

* Cash and cash equivalents and restricted cash have been retrospectively restated as at 31 December 2021 following a clarification by IFRIC on the presentation of monies that have legal or contractual restrictions on their use but are physically accessible, see note 16 for further information.

The financial statements on pages 68 to 106 were approved by the Board of Directors for issue on 27 April 2023 and were signed on its behalf by:

James Boadle
Director
27 April 2023

Group statement of changes in equity

		Attributable to equity holders of the parent							
	Notes	Share capital £m	Distributable reserve £m	Consolidation reserve £m	Retained earnings £m	Other equity reserves £m	Total £m	Non-controlling interests £m	Total equity £m
At 1 January 2021		1.0	783.6	(10.8)	(43.9)	239.4	969.3	0.1	969.4
Total comprehensive income for the year		—	—	—	58.1	—	58.1	—	58.1
Other equity contributions	25	—	—	—	—	301.9	301.9	—	301.9
At 31 December 2021		1.0	783.6	(10.8)	14.2	541.3	1,329.3	0.1	1,329.4
Total comprehensive income for the year		—	—	—	136.3	—	136.3	—	136.3
Other equity contributions	25	—	—	—	—	48.0	48.0	—	48.0
At 31 December 2022		**1.0**	**783.6**	**(10.8)**	**150.5**	**589.3**	**1,513.6**	**0.1**	**1,513.7**

Group cash flow statement

	Notes	2022 £m	(As restated*) 2021 £m
Operating activities			
Profit before taxation		**152.4**	58.3
Adjustments to reconcile profit before taxation to net cash flows:			
— Depreciation	13	**1.7**	1.1
— Valuation gain on investment property	12	**(136.0)**	(61.9)
— Finance costs	10	**36.7**	27.0
— Change in fair value of derivatives	21	**(25.6)**	(5.8)
— Profit on disposal of trading property		**(4.5)**	—
Working capital adjustments:			
— Development expenditure on trading property		**(31.1)**	(5.1)
— Proceeds received from sale of trading property		**5.7**	—
— Increase in other non-current receivables		**(2.1)**	(10.5)
— Increase in trade and other receivables		**(24.2)**	(21.6)
— Increase in trade and other payables		**29.9**	49.5
— Decrease in other long-term payables		**(4.5)**	(24.9)
— Increase in provisions		**14.3**	—
— Tax paid		**—**	(1.8)
Net cash inflow from operating activities		**12.7**	4.3
Investing activities			
Cash acquired from acquisition of group of assets	24	**—**	12.9
Purchase of property, plant and equipment		**(2.0)**	(1.3)
Development expenditure		**(201.2)**	(157.3)
Decrease/(increase) in restricted cash		**2.4**	(2.2)*
Net cash outflow from investing activities		**(200.8)**	(147.9)*
Financing activities			
Equity funding from shareholders	25	**48.0**	159.6
Drawdown of loan facilities	22	**160.4**	51.6
Loan and hedge arrangement fees		**(5.4)**	—
Interest paid on loan facilities	22	**(28.2)**	(24.5)
Proceeds on sale of derivative financial instruments	22	**1.0**	—
Purchase of derivative financial instruments	22	**(6.2)**	—
Other financing costs		**(0.1)**	(3.9)
Net cash inflow from financing activities		**169.5**	182.8
Net (decrease)/increase in cash and cash equivalents		**(18.6)**	39.2*
Cash and cash equivalents at the start of the year		**85.1**	45.9*
Cash and cash equivalents at the end of the year		**66.5**	85.1*

* Cash and cash equivalents and restricted cash have been retrospectively restated as at 1 January 2021 and 31 December 2021 following a clarification by IFRIC on the presentation of monies that have legal or contractual restrictions on their use but are physically accessible, see note 16 for further information.

Notes to the financial statements

1. Corporate information

Get Living PLC (the "Company") is a public limited company, incorporated, domiciled and registered under the laws of England and Wales with the registered number 11532492. The Company's registered office is at 6th Floor Lansdowne House, Berkeley Square, London W1J 6ER, United Kingdom.

The Company is a UK Real Estate Investment Trust (REIT) and its ordinary shares are listed on The International Stock Exchange (TISE).

The Company, together with its subsidiaries (the "Group"), is involved in the investment and management of UK build-to-rent (BtR) properties in London at East Village and Elephant Central, and Manchester at New Maker Yards, alongside the ongoing management of BtR developments at East Village, Elephant and Castle Town Centre, and Lewisham at Newton Place.

The Group's financial statements for the year ended 31 December 2022 were approved by the Board of Directors on 27 April 2023 and the Group Statement of Financial Position was signed on the Board's behalf by James Boadle.

2. Basis of preparation

The Group's financial statements have been prepared in accordance with UK adopted international accounting standards.

The financial statements have been prepared for the year ended 31 December 2022, with the comparative period being the year ended 31 December 2021. The financial statements are presented in millions of Sterling (£m) and all values are rounded to the nearest hundred thousand Sterling (£0.1m), except where otherwise indicated.

The financial statements have been prepared on a historical cost basis except for investment properties and derivative financial instruments which are measured at fair value.

Going concern

The financial statements have been prepared on a going concern basis. The Directors have prepared cash flow forecasts for the period to 30 June 2024 in order to assess the requirements of the Group and Company over that period (the "going concern period"). Despite the buoyant rental market, driven in part by a market supply and demand imbalance, the going concern assessment has been performed against the backdrop of a subdued global economic outlook. The Directors have therefore considered a base case, a downside scenario, and performed reverse stress testing, in consideration of the potential future risks of economic uncertainty and further recession related to macro-economic events; the crisis in Ukraine and aftermath of the global pandemic driving global supply constraints leading to high inflation and a cost of living crisis, along with high interest rates as a result of UK political instability and policy changes. The Directors have also considered the payment subsequent to the year end of £18.9m to HMRC, and the receipt of £7.0m funding from shareholders in March 2023 in the going concern assessment.

In the base case scenario:

The Directors have performed a detailed going concern review based on the Board approved 2023 budget, which reflects current trading trends at high occupancies for stabilised assets, a strong launch of lease-up assets and continued strong rental growth, with revenue on stabilised assets forecast to increase approximately in line with inflationary trends between 2022 and 2023. The impact of inflation on costs over the going concern period has been incorporated into this scenario. Key assumptions in the base case scenario include:

- The Group successfully refinances the debt facilities on its Portlands Place asset ahead of the maturity date of September 2023, and its New Maker Yards Phase 1 and Phase 2 debt facilities ahead of their maturity date in March 2024. The Group has the option to extend the New Maker Yards Phase 2 facility for one year to March 2025, subject to meeting certain conditions which the Group are confident can be achieved.
- The Group receives further capital from its investors to meet the costs of carrying out fire safety remedial works.
- The Group receives further capital from its investors to meet non-contractual commitments specifically for the development of other plots at East Village. If funding is not obtained, the Group has the option not to enter into these transactions.

In the downside scenario, the Board has considered a severe but plausible scenario which considers the following assumptions:

- Reduced occupancy across the Group's assets and downward pressures on pricing, modelled based on an extended economic downturn. This scenario assumes a 10% decrease from the base case in PRS, student and retail revenues. This scenario also models a 10% increase in void unit and 15% increase in bad debt costs.
- Various mitigation measures that would need to be exercised including the deferral of certain discretionary operating costs, development and capital expenditure. The Directors are confident these mitigating actions can be executed in the necessary timeframe if required and are within the control of Management. The use of these mitigations would not have a resultant impact on the forecast revenues.
- There are no breaches of loan facility covenants.
- The Group receives no further funding from shareholders.

2. Basis of preparation continued

Going concern continued

Based on the downside scenario, assuming the debt facility refinancings in the going concern period are achieved and the controllable mitigations are actioned, the Directors assess that the Group has sufficient cash reserves to operate as a going concern. This judgement is based upon:

- Reference to the approved budget for the year ended December 2023, through which shareholders have agreed to provide funding for fire safety costs and non-contractual commitments for development plots.
- The Directors have considered the financial ability of the investors and assess they have sufficient cash resources to provide the funding committed.
- In the scenario where no further shareholder funding is received the Group has sufficient cash reserves to meet its liabilities after executing the mitigating actions which are within the control of Management.

The Group also performed a reverse stress test over the impact of a fall in its property valuations during the going concern period, with an unprecedented percentage fall not even seen during the Covid-19 pandemic required to result in a loan to value covenant breach, a decrease not historically seen by the Group. This is therefore considered to be a remote possibility during the going concern period.

The Directors also evaluated potential events and conditions beyond the period ending 30 June 2024 that may cast significant doubt on the Group's ability to continue as a going concern, with no significant transactions or events of material uncertainty identified.

The Directors are confident in the Group's ability to refinance debt facilities expiring during the going concern period. The Directors have held discussions with a number of potential lenders on the refinancings and a series of competitively priced indicative quotes have been received, subject to credit committee approval. The Directors are confident that the market appetite for lending against PRS assets remains strong and that Get Living PLC is well placed to secure the required financing on both the Portlands Place and the New Maker Yards Phase 1 and Phase 2 debt facilities which fall due in the going concern period. However, if the Group is not successful in refinancing the debt facilities, it will be reliant on shareholders providing funds to support the repayment of existing debt facilities, in addition to the shareholder funding assumed in the base case scenario. The Directors have therefore concluded that there is a material uncertainty with respect to refinancing the Portlands Place, New Maker Yards Phase 1 and New Maker Yards Phase 2 debt facilities which may cast significant doubt over the Group and Company's ability to continue as a going concern.

The Board believe that, subject to the material uncertainty relating to achieving the refinancing described above, the Group will be able to manage its business risks successfully, and the Group's forecasts and projections show that the Group will be able to operate within the level of its available liquidity and covenant requirements. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements, however, the matters described above result in the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The consolidated financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

Judgements and estimates

The preparation of financial statements in accordance with UK adopted international accounting standards requires the use of critical judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates and assumptions concerning the future, and the accounting results of those estimates may not equal the related actual results.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the relevant notes forming part of these financial statements as discussed below.

Key judgements

Classification and transfers between investment and trading property

The Group considers the intention at the outset when each property is acquired in order to classify the property as either an investment property or a trading property. Where the intention is to trade the property within the ordinary course of business, the property is classified as trading property. Where the intention is to hold the property for its long-term rental yield or capital appreciation, the property is classified as an investment property.

Where there is a change in use of the property, a transfer between investment property and trading property takes place. A change in use occurs when the property ceases to meet the definition of investment property and there is evidence of the change in use. The transfer will take place when there are observable actions toward effecting a change in use, for example the commencement of development with a view to a sale.

The classification of the Group's properties is a significant judgement which directly impacts the statutory net asset position, as trading properties are held at the lower of cost and net realisable value, whilst investment properties are held at fair value, with gains or losses taken through the Statement of Comprehensive Income. Refer to note 14 for further information.

Notes to the financial statements continued

2. Basis of preparation continued

Key judgements continued

Taxation

The Group applies judgement in identifying uncertainties over income tax treatments, particularly those relating to land and property transactions. The Group determined that it is probable that its tax treatments (including those for the subsidiaries) will be ultimately accepted by the taxation authorities. A provision for a settlement agreed with HMRC after the Statement of Financial Position date has been recognised (note 18). The Directors have made a judgement based on their assessment that no further provision is required.

Other judgements

Sale of trading property

Proceeds received for the sale of trading property are recognised when the buyer assumes control of the property. Should exchange of title occur before the practical completion of the property, the Group assesses whether the disposal of trading property and subsequent development by the Group constitutes a single contract or two separate contracts. The profit or loss on disposal is calculated as the difference between the sales proceeds and the carrying amount of the asset at the date of disposal, with this being taken through the Statement of Comprehensive Income. Refer to note 14 for further information.

Property acquisitions and business combinations

Where a property is acquired through the acquisition of corporate interests, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired and, in particular, the extent of services provided by the subsidiary. IFRS 3 sets out an optional concentration test designed to simplify the evaluation of whether an acquired set of activities and assets is not a business. An acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Where such acquisitions are not deemed to be an acquisition of a business, they are not treated as business combinations. Instead, they are treated as asset acquisitions, with the cost to acquire the corporate entity being allocated between the identifiable assets and liabilities of the entity based on their relative fair values on the acquisition date. Accordingly, no goodwill arises. Refer to note 24 for more information.

Key estimates

The key accounting estimates with a risk of a material change to the carrying value of assets and liabilities within the next year in terms of IAS 1 'Presentation of Financial Statements' are detailed below.

Fair value of investment property

The fair value of the Group's investment property is a key source of estimation uncertainty; however, in accordance with the accounting policy of the Group, investment property is revalued at each reporting date by CBRE Limited as third party specialists.

Market value is defined as the estimated amount for which a property should exchange on the date of valuation between willing buyer and seller in an arm's length transaction without compulsion. The Group considers the use of professional external valuers, in accordance with the latest RICS Valuation Standards in the United Kingdom, sufficient to reduce but not eliminate the uncertainty.

The Group continues to review fire safety requirements in all homes to ensure they are safe to occupy, and fall in line with government guidance and professional advice. Whilst none of the Group's buildings are currently considered unsafe, such a classification at a later date would be expected to materially affect the value of the Group's investment properties.

In response to the requirements of fire safety regulation the Group continues to perform remediation works where it considers it appropriate for ensuring all buildings remain safe. Where the Group has considered it appropriate to carry out remediation work the cost to perform these remediation works is included as a deduction from the fair value of the investment property as a cost to complete. Despite the use of specialists and a dedicated internal team there is a degree of uncertainty involved in estimating the cost of these works to be performed due to their inherently complex nature. The existing estimates have been based on surveys performed by specialists and Management's best estimate.

Refer to note 12 for further information.

Derivatives

The Group has entered financing facilities where the interest expense is based on variable reference rates such as SONIA. This provides a key source of estimation uncertainty. However, the Group has entered into derivatives to minimise the volatility of its exposure to these interest rate movements. The derivatives are valued at the reporting date by an external consultant using a discounted cash flow model and market information (see notes 21 and 23).

Other sources of estimation uncertainty

The following areas of estimation uncertainty are not presented to comply with the requirements of paragraph 125 of IAS 1 'Presentation of Financial Statements' as it is not expected there is a risk of a material adjustment to the carrying amount of assets and liabilities within the next financial year. They are presented as additional disclosure of estimates used in the accounts.

Net realisable value of trading property

The Group's trading property is stated at the lower of cost and net realisable value ("NRV"). NRV is calculated with reference to the expected selling price, less the estimated costs of completion and the estimated costs necessary to make the sale, discounted to the net present value.

2. Basis of preparation continued

Other sources of estimation uncertainty continued

Provisions – fire safety remedial works

When recognising a provision with respect to fire safety remediation works undertaken by the Group on behalf of non-controlling interests, the Group determines the best estimate for the value of the future economic outflow. The Group takes a prudent approach and considers all available information in making such an assessment. Assessments are revisited at each reporting date. Refer to note 18 for further information.

3. Accounting standards

a) New and amended standards and interpretations effective in the current financial year

The Group considers new standards and amendments to standards and interpretations which are applicable for the first time in the year ended 31 December 2022. These were found to be either not relevant or not have a material impact on the consolidated financial statements of the Group.

b) New and amended standards and interpretations issued but not yet effective

The relevant new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The Directors do not expect the adoption of these standards and interpretations to have a material impact on the consolidated or Company financial statements in the period of initial application.

- IFRS 17 Insurance Contracts including Amendments to IFRS 17 (1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (1 January 2023)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (1 January 2023)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (1 January 2023)
- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (1 January 2023)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (1 January 2024)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current Date and its Deferral of Effective Date; and Non-current Liabilities with Covenants (1 January 2024)

4. Summary of significant accounting policies

a) Consolidation

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared using consistent accounting policies. All intra-group balances and transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The list of subsidiaries of the Group is included in note 37.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Non-controlling interests represent the portion of a subsidiary's equity which is not attributable to the Group. They are presented separately in the consolidated financial statements (note 28).

b) Asset acquisitions and business combinations under common control

The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired and, in particular, the extent of services provided by the subsidiary. Business combinations under common control are accounted for using the pooling of interests method, any difference between the total book value of the net assets obtained and the consideration paid is accounted for in the Group financial statements as a consolidation reserve.

Where such acquisitions are not deemed to be an acquisition of a business, they are not treated as business combinations. Instead, they are treated as asset acquisitions and the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values on the acquisition date. Accordingly, no goodwill arises.

Management reviewed the acquisition of New Maker Yards Phase 2 (note 24) during the prior year in accordance with the requirements of IFRS 3, and concluded that it met the criteria of an asset acquisition rather than a business combination and have accounted for it as such. The acquisition was treated as a transaction under common control in accordance with IFRS 3 as the combining entities were ultimately controlled by the same parties both before and after the combination and the common control is not transitory.

Notes to the financial statements continued

4. Summary of significant accounting policies continued

c) Investment property

Investment property is initially recognised at cost, inclusive of transaction costs, and subsequently measured at fair value. Gains or losses arising from changes in fair value of investment property are included in the Statement of Comprehensive Income in the period in which they arise. No depreciation or amortisation is provided in respect of investment property.

The Group has entered into residential property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the residential property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the residential property, that it retains all the significant risks and rewards of ownership of the properties and accounts for the contracts with tenants as operating leases.

d) Trading property

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as trading property and is measured at the lower of cost and net realisable value ("NRV"). Principally, this is property that the Group develops and intends to sell before, or on completion of, development. Cost incurred in bringing each property to its present location and condition includes:

- freehold and leasehold rights for land;
- amounts paid to contractors for development; and
- planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale, discounted to the net present value. The NRV of a trading property is determined by a professional external valuer at each reporting date. If the NRV of a trading property is lower than its carrying value, an impairment loss is recorded in the Statement of Comprehensive Income. If, in subsequent periods, the NRV of a trading property that was previously impaired increases above its carrying value, or if the circumstances that caused the write-down cease to exist, such that all or part of the write-down is no longer needed, it shall be reversed to that extent.

Where the Group develops affordable housing units as part of local council requirements of the Group's wider development schemes with a view to sale in the ordinary course of business, these units are held as trading property as they are to be transferred to third parties at or prior to completion. Where the expected cost of developing affordable units exceeds the amount recoverable, the expected excess cost is assumed in the cost to complete of the premium asset classified as investment property up to the point at which practical completion on the premium asset is reached. Following practical completion of the premium asset, expected excess costs of any remaining affordable housing units under construction are recognised as a separate liability with the related capital expenditure being allocated to the premium asset.

Trading property is disposed of when control transfers to the buyer. Profit or loss on disposal is calculated using the carrying value of the trading property as at the date of disposal.

e) Revenue recognition

Rental income from operating leases is recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease, in line with IFRS 16. Lease agreements are all-inclusive, and contain income for other services. However, the term of these services is the same as the lease term, so the recognition period is the same, and the value of the services is included within service charge and other related income, see note 6.

Interest income is recognised using the effective interest rate method.

Revenue from contracts with customers, as defined in IFRS 15, includes several of the Group's income streams:

- Service charge and other related income from PRS and retail tenants;
- Other income being service charge income earned from third parties for estate management services;
- Revenue from development contracts; and
- Revenue received for the sale of trading property.

All service charge and other related income is recorded as income over time in the period in which the services are rendered, with payment in line with monthly rental income received. Revenue is recognised over time because the tenants benefit from the services as soon as they are rendered by the Group.

Where a single payment is received from a tenant to cover both rent and other services, the service charge and other related income component is separated and reported as service charge and other related income. It has been assessed that the Group is acting as a principal in service charge and other related income arrangements, since the provision of these benefits is incorporated into the provision of rental property as a package of services, accordingly service charge income and expenditure are presented on a gross basis in the Statement of Comprehensive Income. The actual service provided during each reporting period is determined using cost incurred as the input method.

4. Summary of significant accounting policies continued

e) Revenue recognition continued

Revenue generated from development contracts is recognised over time as the Group develops assets controlled by customers. Revenue is determined using the input method by comparing costs incurred to date against total expected costs to be incurred over the life of the contract.

Proceeds received for the sale of trading property are recognised when the buyer assumes control of the property. Should exchange of title occur before the practical completion of the property, the Group assesses whether the disposal of trading property and subsequent development by the Group constitutes a single contract or two separate contracts. Total consideration received where property is disposed of via a long leasehold is the sum of upfront premiums and the present value of any future payments.

f) Taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current tax is the expected tax payable on any non-REIT taxable income for the period, using tax rates applicable at the Statement of Financial Position date, any adjustment to tax payable in respect of previous years, and any charges arising from the requirements to meet the REIT regime rules.

Deferred tax is calculated using the rate substantively enacted at the Statement of Financial Position date. Deferred tax assets are not recognised where there is a high degree of uncertainty as to their future utilisation.

g) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation. Depreciation of residential fixtures and fittings, retail assets, and office fixtures and equipment is charged at 25% per annum on a straight-line basis. Plant and machinery is depreciated between 10% and 25% on cost per annum, dependent on the asset's useful life. The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may be greater than its value in use.

h) Cash

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents includes amounts accessible by the Group, even where there are legal or contractual restrictions on their use.

Restricted cash is cash held by the Group in designated accounts, to which the Group has no physical access, which are held for loan compliance requirements and are only accessible by the relevant lender.

Cash and cash equivalents and restricted cash have been retrospectively restated as at 1 January 2021 and 31 December 2021 following a clarification by IFRIC on the presentation of monies that have legal or contractual restrictions on their use but are nevertheless physically accessible, see note 16 for further information.

i) Interest-bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Group becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. The discount between the redeemable amount and the net proceeds is accreted over the term of the loan and charged to the Statement of Comprehensive Income.

j) Receivables

Receivables are initially recognised on the Statement of Financial Position at fair value when the Group has become party to the contractual provisions of the instruments. They are subsequently carried at amortised cost using the effective interest rate method if the time value of money may have a significant impact on their value.

The Group must make judgements on the recoverability of its trade and other receivables at the reporting date and has a policy of providing for impairment based on the expected credit loss model, using a provisions matrix. The Group assesses on a forward-looking basis the expected credit losses associated with its trade receivables. The Group applies a simplified approach in calculating expected credit losses and recognises a provision for impairment for the lifetime expected credit losses on initial recognition of the receivable. In determining the expected credit losses the Group takes into account any recent payment behaviours and future expectations of likely default events (i.e. not making a payment on the due date) based on individual customer circumstances, actual or expected insolvency filings or Company voluntary arrangements and market expectations and trends in the wider macro-economic environment in which customers operate. The amount of the provision is the difference between the asset's carrying amount and the estimated future cash flows. The movement in the provision is recognised in the Statement of Comprehensive Income.

Trade receivables balances are written off when the probability of recovery is assessed as being remote.

k) Derivative financial instruments

The Group uses interest rate derivative financial instruments to hedge its exposure to movements in interest rates. All classes of derivatives are initially recognised at fair value, which is considered to be equal to cost on initial acquisition, and subsequently remeasured to their prevailing fair value at each Statement of Financial Position date. Changes in the fair value of derivative financial instruments are recognised in the Statement of Comprehensive Income as they arise.

Notes to the financial statements continued

4. Summary of significant accounting policies continued

k) Derivative financial instruments continued

Derivatives are derecognised either when they are sold to a third party or the termination date is reached. On a sale to a third party the price paid is considered to be the fair value at that date with any difference between the carrying value and the price paid being taken as a change in the fair value of the derivative. On reaching termination all derivatives have a nil fair value and so no further adjustment is required for derecognition.

The Group does not apply hedge accounting.

l) Borrowing costs

The Group recognises borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the Consolidated Statement of Comprehensive Income.

m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Comprehensive Income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost, except on variable consideration on property acquisitions.

n) Segmental information

IFRS 8 requires operating segments to be reported in a manner consistent with internal financial reporting. The Board is responsible for reviewing the Group's internal reporting in order to assess performance and allocate resources; and is the chief operating decision maker. The Board ultimately reviews and monitors the performance of the Group by neighbourhood, and across the entire portfolio on a basis consistent with the Group financial statements. Properties in East Village, Elephant Central, New Maker Yards Phase 1, New Maker Yards Phase 2, Elephant and Castle Town Centre, and Newton Place are held to generate rental income and capital returns and are aggregated into one operating segment as all properties are, or are being developed, to be predominantly residential assets, some of which include retail components. The offering across all sites is similar, the properties share similar economic characteristics, there is a similar type of customer across all neighbourhoods and the regulatory environment across all neighbourhoods is consistent. Consequently, the Board concluded there to be only one operating segment.

All revenue from continuing operations is attributable to, and all non-current assets are located in, the country of domicile of the Group, the United Kingdom. There is no individual tenant or customer of the Group that contributes greater than 10% of total revenue.

o) Leases

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. This includes residential and retail rental contracts, with rental income being accounted for on a straight-line basis over the lease term.

p) Other equity reserves

Shareholder funding received by the Group is repayable only upon liquidation of Get Living PLC and is therefore classified as equity.

q) Key Management remuneration

The Group has a cash settled long-term incentive scheme for certain Executives. The awards have a three year grant period and are linked to the long-term performance of the business. At the end of each financial year, the estimated total payout under the scheme is calculated and is charged to the income statement as an employee expense over the grant period. This is subsequently adjusted at each financial year end based on the performance of the business.

The Group has a co-investment scheme for certain Executives and this is accounted for as a cash settled share-based payment scheme. The grant fair value of the share-based payment awards is recognised as an employee expense at the date of grant. Any cash proceeds received are credited to share capital and share premium.

5. Fair value hierarchy

IFRS 13 sets out a three-tier hierarchy for financial assets and liabilities valued at fair value. These are as follows:

- level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

5. Fair value hierarchy continued

Derivatives

The fair value of the swaps and caps entered into in relation to loan balances is derived from the present value of future cash flows discounted at rates obtained by means of the current yield curve appropriate for those instruments. As all significant inputs required to value the swaps and caps are observable, they all fall within level 2. Information in respect of the fair value of financial instruments is included in notes 21 and 23.

Investment property

The fair value of investment property falls within level 3. The investment property valuation is a third party valuation, which is based on a discounted cash flow model in accordance with RICS Valuation Standards, Sixth Edition in the United Kingdom, and includes a number of unobservable inputs and other valuation assumptions. Further details of these assumptions and significant unobservable inputs are included in note 12.

Loans and borrowings

The fair value of loans and borrowings falls within level 3. Loans are recognised initially at fair value less attributable transaction costs. The fair values of any floating rate financial liabilities approximate their carrying values. The fair values of the fixed rate loans are assessed based on a discounted cashflow model using the prevailing market rate of interest, determined with reference to recent transactions and negotiations occurring within the Group for loans with similar terms. Information in respect of the fair value of loans and borrowings is included in notes 20 and 23.

6. Revenue

	2022 £m	2021 £m
PRS and student rental income	**63.5**	44.7
Retail rental income	**2.9**	2.9
Service charge and other related income	**17.0**	16.2
Total rental income	**83.4**	63.8
Revenue from development contracts (note 14)	**3.9**	—
Trading property disposal (note 14)	**5.7**	—
Other income	**6.2**	6.9
Revenue	**99.2**	70.7

PRS and student rental income primarily arises from private tenant leases under Assured Shorthold Tenancy ("AST") agreements. These lease agreements range from one to three years in tenure.

PRS and student tenants make a single payment under ASTs, which covers rent and other services. The component relating to the service charge and other services is separated and reported as service charge and other related income. These combined make up the total rental income the Group earns from lease arrangements.

Revenue relating to non-lease income is recognised in the period in which the performance obligations are satisfied. There was nil revenue recognised from performance obligations settled in previous periods (2021: £nil).

ASTs have a minimum six-month break clause on the tenant side. Student AST agreements are for the duration of the academic year. The Group has also issued leases for retail units, having terms up to 24 years with agreed break clauses, which are located within the investment properties. Break clauses are assumed to be exercised at the earliest opportunity for the calculation of minimum lease receivable disclosed in the below table.

There are no arrangements in relation to contingent rent in the year. Rental contracts include a clause to allow the Group to seek compensation if premises are not left in good condition. There are no receivables or contingent assets recognised at 31 December 2022 or at 31 December 2021 in relation to this clause.

Minimum lease receivable is analysed as follows:

	2022 £m	2021 £m
Within one year	**31.1**	21.4
Between one and two years	**1.9**	1.6
Between two and three years	**1.8**	1.6
Between three and four years	**1.7**	1.5
Between four and five years	**1.6**	1.4
After more than five years	**15.7**	14.6
	53.8	42.1

Notes to the financial statements continued

7. Cost of sales

	2022 £m	2021 £m
Service charge expense	**15.5**	15.1
Void costs	**1.8**	—
Other property costs	**9.2**	9.7
Direct property costs	**26.5**	24.8
Development costs (note 14)	**8.3**	—
Cost of trading property disposals (note 14)	**1.2**	—
Cost of sales	**36.0**	24.8

Other property costs includes management fees of £5.7m (2021: £6.4m).

8. Operating profit/(loss)

Operating profit is stated after charging:

	2022 £m	2021 £m
Salaries and wages	**12.0**	9.0
Social security costs	**1.3**	1.1
Employer's pension contribution	**0.3**	0.3
Depreciation	**1.7**	1.1

The average number of employees in the Group during the year was 157 (2021: 140).

Directors' remuneration

The Directors of the Parent Company are also directors of other entities controlled by the shareholders (see note 29) that are not part of this Group. For the current year, the Directors received no remuneration, reimbursements, or pension contributions from the Parent Company or any of its subsidiaries for their services as Directors of the Parent Company (2021: £nil).

Key management personnel

The Group considers all individuals that have authority and responsibility for planning, directing, and controlling the Group's activities, be it direct or indirect, to be key management personnel. Key management personnel compensation is analysed as follows.

	2022 £m	2021 £m
Salaries and wages	**1.6**	1.1
Other long term incentives	**0.5**	0.2
Share based payments	**0.1**	0.1
Termination payments	**—**	0.1
Total compensation	**2.2**	1.5

The Company has a long-term incentive scheme for certain Executives that is cash settled and not linked to shares. The awards have a three year grant period and are linked to the long term performance of the business. The Company has a co-investment scheme for certain Executives and this has been accounted for as a cash settled share based payment scheme, refer to note 30 for further details.

Employers pension contributions during the year were less than £0.1m.

9. Auditor remuneration

Services provided by the Group's auditor:	2022 £'000	2021 £'000
Audit fees:		
Audit of Parent Company and consolidated financial statements	**556**	214
Audit of subsidiary undertakings	**236**	468
Non-audit services:		
Other assurance services	**20**	20
Tax advisory services	**20**	63
Tax compliance services	**472**	327
	1,304	1,092

In the current year the auditor reallocated their split of fees between the parent entity and its subsidiaries.

10. Finance costs

	2022 £m	2021 £m
Interest on loans and borrowings	**43.2**	31.9
Less: capitalised borrowing costs (note 12)	**(10.7)**	(7.2)
	32.5	24.7
Amortised arrangement fees	**1.7**	1.8
Other finance costs	**2.5**	0.5
	36.7	27.0

The capitalised borrowing costs relate to borrowings used to fund property development. Borrowing costs are capitalised at the rate specific to the borrowings and are capitalised up to the point of practical completion.

11. Taxation

	2022 £m	2021 £m
Current tax charge	**16.1**	0.2
Deferred tax credit	**—**	—
Tax charge for the year	**16.1**	0.2
Factors affecting the tax charge for the year		
Profit before taxation	**152.4**	58.3
Profit before taxation multiplied by main rate of UK corporation tax of 19% (2021: 19%)	**29.0**	11.1
Effect of:		
REIT exempt net property rental (gains)	**(1.1)**	(1.0)
Fair value adjustments	**0.1**	(1.1)
Capitalised borrowing costs	**(2.0)**	(1.4)
Non-allowable expenses	**0.6**	0.8
Valuation gain on investment property	**(25.8)**	(11.8)
Losses not recognised	**(0.8)**	3.3
Interest cover ratio charge	**0.5**	0.8
Adjustments in respect of prior periods – over-provision	**(0.8)**	(0.5)
Adjustments in respect of prior periods – tax settlement (see note 18)	**16.4**	—
Current tax charge in the Statement of Comprehensive Income	**16.1**	0.2

The Company is a UK Real Estate Investment Trust (REIT). As a result, the Group does not pay United Kingdom corporation tax on the profits and gains from its qualifying rental business in the United Kingdom provided it meets certain conditions. Non-qualifying profits and gains of the Group continue to be subject to corporation tax as normal.

The Group has unrecognised deferred tax assets at 31 December 2022 in respect of fixed asset temporary differences and tax losses carried forward of £32.7m (2021: £23.9m). These deferred tax assets have not been recognised due to the uncertainty of future taxable profits from the non-REIT business. Deferred tax is calculated at the rate substantively enacted at the Statement of Financial Position date of 25% (2021: 25%).

Please refer to the Taxation section within Key judgements in note 2 for further information on tax. For definitions see Glossary.

12. Investment property

	2022 £m	2021 £m
Opening balance	**2,366.2**	2,001.8
Acquisitions – New Maker Yards Phase 2 (note 24)	**—**	119.8
Capital expenditure	**146.3**	175.5
Capitalised borrowing costs	**10.7**	7.2
Valuation gain on investment property	**136.0**	61.9
Closing balance	**2,659.2**	2,366.2

The Group acquired the New Maker Yards Phase 2 site in the prior year (note 24), acquiring investment property with a value at that date of £119.8m.

Notes to the financial statements continued

12. Investment property continued

Capital expenditure of £146.3m (2021: £175.5m) includes £6.0m (2021: £60.0m) with respect to the East Village site, £82.2m (2021: £83.0m) attributable to the development of Newton Place, and £56.4m (2021: £22.5m) attributable to the development of Elephant and Castle Town Centre, with the remaining capital expenditure relating to operational properties.

The fair values of the investment property held by the Group were undertaken in accordance with the latest RICS valuation standards in the United Kingdom by CBRE Limited, who are qualified for the purpose of the valuation in accordance with the RICS valuation standard. The fee arrangement with CBRE for the valuation of the Group's properties is fixed, subject to an adjustment for acquisitions and disposals.

This valuation comprises residential units of £2,187.4m (2021: £2,021.1m), properties in the course of development of £435.7m (2021: £307.5m) and retail units of £36.1m (2021: £37.6m).

The properties in the portfolio were valued on either an income capitalisation or a residual value appraisal approach.

The key unobservable inputs into the residential and commercial valuation are as follows:

Asset	**2022 Estimated rental values (£ per square foot)**	**2022 Discount rate (%)**	2021 Estimated rental values (£ per square foot)	2021 Discount rate (%)
Olympic Homes, East Village – residential	**37.91**	**3.50**	31.80	3.00
Olympic Homes, East Village – commercial	**20.00–25.00**	**9.00–9.25**	15.00–25.00	8.00–8.25
Victory Plaza, East Village – residential	**38.66**	**3.50**	32.80	3.10
Victory Plaza, East Village – commercial	**11.10–38.01**	**5.75–9.00**	10.50–38.00	6.50–8.25
Portlands Place, East Village – residential	**43.37**	**3.50**	33.85	3.2
Portlands Place, East Village – commercial	**16.00–20.00**	**8.00**	20.00	7.00
Elephant Central – residential	**49.67**	**3.50**	39.70	3.15
Elephant Central – commercial	**15.00–45.00**	**5.50–9.00**	15.00–45.00	5.00–8.00
New Maker Yards Phase 1 – residential	**23.77**	**4.25**	21.59	4.15
New Maker Yards Phase 1 – commercial	**13.50–47.22**	**6.50–8.50**	13.50–15.00	5.75–9.00
New Maker Yards Phase 2 – residential	**24.39**	**4.30**	21.73	4.15

The key unobservable inputs into the development valuation are average construction costs of £255 per sq ft (2021: ranging from £245 to £295).

Sensitivity to key unobservable inputs

The effect of increasing and decreasing both the discount rate and the estimated rental value on the valuation of investment properties is shown in the following table.

Change in unobservable input	**2022 £m**	2021 £m
An increase in the discount rate of 50 basis points	**(282.2)**	(294.7)
A decrease in the discount rate of 50 basis points	**374.0**	406.6
An increase in the estimated rental value of 10%	**216.8**	210.9
A decrease in the estimated rental value of 10%	**(217.1)**	(211.1)

Where estimates have been used, an increase/decrease in the value of fire safety remediation work costs deducted from the fair value of investment property as a cost to complete of 10% would cause a corresponding decrease/increase of £1.1m (2021: £1.3m) to the valuation of investment properties.

13. Property, plant and equipment

	Residential fixtures and fittings £m	Retail assets £m	Office fixtures and equipment £m	Plant and machinery £m	Total £m
Cost					
At 1 January 2021	2.6	3.0	1.6	0.8	8.0
Additions	0.1	—	1.9	—	2.0
At 31 December 2021	2.7	3.0	3.5	0.8	10.0
Additions	0.6	—	0.4	0.3	1.3
At 31 December 2022	**3.3**	**3.0**	**3.9**	**1.1**	**11.3**

13. Property, plant and equipment continued

	Residential fixtures and fittings £m	Retail assets £m	Office fixtures and equipment £m	Plant and machinery £m	Total £m
Depreciation					
At 1 January 2021	1.7	2.8	1.0	0.6	6.1
Depreciation charge for the year	0.4	0.1	0.6	—	1.1
At 31 December 2021	2.1	2.9	1.6	0.6	7.2
Depreciation charge for the year	0.4	0.1	1.0	0.2	1.7
At 31 December 2022	**2.5**	**3.0**	**2.6**	**0.8**	**8.9**
Net book value					
Balance at 31 December 2022	**0.8**	**—**	**1.3**	**0.3**	**2.4**
Balance at 31 December 2021	0.6	0.1	1.9	0.2	2.8

14. Trading property

	2022 £m	2021 £m
Opening balance	**35.6**	30.5
Capital expenditure	**34.2**	5.1
Disposal during the year	**(1.2)**	—
Closing balance	**68.6**	35.6

The Group's trading property balance includes: £61.0m (2021: £35.6m) being a new academic building that is to be sold to the University of the Arts London as part of the Elephant and Castle Town Centre Development; £7.6m (2021: £nil) being a station box that is to be sold to London Underground Limited once completed; £nil (2021: £nil) of affordable housing at East Village that was disposed of during the year.

During the year the Group disposed of affordable housing trading property at East Village to a third party. Consideration received for the disposal was £5.7m and the trading property had a value at the date of disposal of £1.2m, generating a profit on disposal of £4.5m. The profit on disposal has been recharged to the premium assets for which the affordable housing has been created as part of the wider development and for which excess costs have previously been recharged. The Group continued to develop the property for the third party after the sale, separately recognising revenue of £3.9m and cost of sales of £8.3m (see notes 6 and 7).

15. Trade and other receivables

	2022 £m	2021 £m
Non-current receivables		
Other receivables	**5.8**	10.5
	5.8	10.5
Current receivables		
Trade receivables	**5.1**	2.7
Expected credit loss provision	**(1.5)**	(1.3)
	3.6	1.4
Other receivables	**123.1**	89.2
Prepayments	**12.7**	21.5
Accrued income	**0.7**	—
Other taxes – VAT	**2.2**	3.7
	142.3	115.8

Non-current other receivables

Non-current other receivables includes £3.2m as an advanced payment to the developer for the Elephant and Castle Town Centre development (2021: £10.0m) that is expected to be settled in 2024. The balance also includes £1.6m with respect to costs paid in advance for land to be owned in a future period (2021: £nil).

Notes to the financial statements continued

15. Trade and other receivables continued

Trade receivables

Trade and other receivables are non-interest bearing.

Trade receivables are lease receivables due from tenants. The expected credit loss provision was calculated using the provisions matrix in line with the expected credit loss model. The assessed credit risk has not significantly changed between years.

Included within trade receivables is £0.9m (2021: £0.6m) of contract assets in relation to service charge income and £0.5m (2021: £nil) of contract assets in relation to revenue from development contracts. All contract asset amounts are realisable within one year.

Current other receivables

Current other receivables includes £11.5m (2021: Non-current other receivable of £10.0m) as an advanced payment to the developer for the Elephant and Castle Town Centre development that will be repaid in 2023.

Current other receivables due within one year includes a balance of £85.2m being shareholder equity that has not been settled in cash, whereby the shareholders have committed equity to guarantee the performance of the New Maker Yards Phase 2 group companies of payment obligations under both a building agreement and a facility agreement to the sum of this amount. Following practical completion of New Maker Yards Phase 2, the third party guarantees have significantly reduced and will be fully unwound during the 2023 year (note 32).

There is a balance of £0.9m (2021: £0.9m) within other receivables relating to retention monies held in escrow in respect of New Maker Yards, for which there is a corresponding payable in trade and other payables (note 17).

There is a balance of £14.3m (2021: £nil) included within other receivables being amounts expected to be recovered from non-controlling interests to offset the fire safety provision recognised (see note 18).

Recoverability of other receivables has been assessed using the expected credit loss model. The impairment of the other receivables is immaterial. The assessed credit risk has not significantly changed between years.

Prepayments

Prepayments includes £6.9m of prepaid loan arrangement fees (2021: £12.1m).

The prior year prepayments balance includes £4.8m in respect of prepaid development fees for the Elephant and Castle Town Centre Development, which form part of investment property capital expenditure in the current year.

Credit risk

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables plus other receivables.

16. Cash

	2022 £m	(As restated*) 2021 £m
Cash and cash equivalents		
Unrestricted cash at bank	**53.4**	67.2
Cash restricted under legal or contractual terms:		
— Sinking fund	**8.9**	10.9
— Loan requirements	**4.0**	4.0
— Tenant deposits	**0.2**	3.0
	66.5	85.1
Restricted cash		
Restricted cash – loan requirements	**13.5**	15.9
	13.5	15.9

Cash and cash equivalents represents amounts physically accessible by the Group as at the Statement of Financial Position date. Within cash and cash equivalents are £13.1m (2021: £17.9m) of amounts that the Group considers to be restricted under legal or contractual terms.

The sinking fund consists of amounts held by estate management companies within the Group with receipts into the fund coming from the Group and Triathlon Homes LLP. The fund is intended for future major repair works that will be required on the properties in East Village (see note 17).

Loan requirements consist of funds held in designated bank accounts to ensure the Group meets specific loan requirements. Where the Group is able to physically access monies they are included within cash and cash equivalents, where the Group is unable to physically access monies they are included within restricted cash.

16. Cash continued

Tenant deposits consist of amounts paid by tenants of the properties where security deposits are required under the respective tenancy agreement.

* **Restatement**
Cash and cash equivalents and restricted cash have been retrospectively restated as at 31 December 2021 following a clarification by IFRIC on the presentation of monies that have legal or contractual restrictions on their use but are physically accessible. As a result of this the sinking fund, a portion of cash held for loan requirements, and tenant deposits have been reclassified from restricted cash to cash and cash equivalents. The total value of the reclassification as at 31 December 2021 is £17.9m.

The total value of the reclassification in the Group Statement of Financial Position as at 31 December 2021 is £17.9m which increased the cash and cash equivalent from £67.2m to £85.1m and decreased the restricted cash from £33.8m to £15.9m. Within the Group cash flow statement for the year ended 31 December 2021, this reclassification also resulted in £1.1m increase in net cash outflow from investing activities from £146.8m to £147.9m and a decrease in the overall net movement in cash and cash equivalent from £40.3m to £39.2m. As at 1 January 2021, the total value of the reclassification is £19.0m which increased the cash and cash equivalent from £26.9m to £45.9m and decreased the restricted cash from £32.7m to £13.7m.

This prior year restatement did not have an impact on the reported net assets, net current assets or net profit.

17. Trade and other payables

	2022 £m	2021 £m
Trade payables	**2.7**	4.0
Deferred income	**29.1**	14.1
Accruals	**36.9**	41.5
Other payables	**15.7**	32.0
Other payables – DCMS settlement	**—**	28.7
Other payables – Sinking fund	**3.3**	—
Other payables – Development retentions	**5.5**	5.7
	93.2	126.0

Trade payables are non-interest bearing and are normally settled in accordance with the Group's terms of business.

Deferred income

Deferred income includes £3.4m (2021: £nil) in relation to amounts received from London Underground Limited to fund the development of work at the Elephant and Castle Town Centre development. Deferred income includes £4.8m (2021: £3.3m) of contract liabilities in relation to service charge income. All contract liability amounts are to be settled within one year. The remaining deferred income balance of £20.9m relates to rental income.

Accruals

Within the accruals balance of £36.9m (2021: £41.5m) is a development cost accrual of £11.9m (2021: £17.4m) in relation to the Group's ongoing developments of new property and £0.4m (2021: £nil) of contract liabilities in relation to costs from development contracts. The prior year accruals balance included £9.8m in relation to the inception of third party debt financing for Elephant and Castle Town Centre.

Other payables

Within the other payables balance of £15.7m (2021: £32.0m) is £nil for amounts due to the developer for the Elephant and Castle Town Centre development (2021: £10.0m), £6.0m in respect of accrued bank loan interest (2021: £6.0m), and £nil relating to excess development costs (2021: £9.0m).

Other payables – DCMS settlement

A settlement deed was signed in January 2020 between the Group and the Secretary of State for Digital, Culture, Media and Sport (DCMS, previously the Olympic Delivery Authority) in relation to the 2011 sale and purchase agreement for SVDP Limited. The deed states that the Group must pay a total agreed sum of £29.0m, with £0.3m payable on the date of the deed and the remainder payable in March 2022. The DCMS settlement payable at 31 December 2021 represents the £28.7m amount payable on 31 March 2022, discounted at the government risk-free pre-tax rate, which is based on the three-year GBP government bond rate, and adjusted for risks specific to the liability. The balance was fully settled in March 2022.

Other payables – Sinking fund

The sinking fund is held by the subsidiary, East Village Management Limited, to provide funds to meet the costs of future major repairs, replacements and scheduled works. The balance represents the contribution made to the sinking fund by Triathlon Homes LLP, which holds a non-controlling interest in East Village Management Limited. Management have reviewed the likely timing of future expenditure and consider it appropriate to classify the sinking fund as a current liability as at 31 December 2022 (2021: Non-current liability, refer to note 19). The funds are held in a separate bank account as disclosed in note 16.

Notes to the financial statements continued

17. Trade and other payables continued

Other payables – Development retentions

The development retention liabilities are due to the contractor of the development property in relation to works done during the construction period, and are liable to be settled as 50% upon practical completion and 50% two years following practical completion (see note 19). Development retentions as at the year end date are summarised as follows.

As at 31 December 2022

Asset	Within one year (£m)	More than one year (£m)	Total due (£m)	Tranche 1 due	Tranche 2 due
Portlands Place	—	2.7	2.7	Settled	February 2024
Plot N05, East Village	0.3	0.3	0.6	February 2023	February 2025
New Maker Yards Phase 1	0.9	—	0.9	Settled	Due
New Maker Yards Phase 2	1.3	—	1.3	Settled	November 2023
Newton Place	2.7	2.7	5.4	October 2023	October 2025
Elephant and Castle Town Centre	0.3	2.2	2.5	Several*	Several*
Total	**5.5**	**7.9**	**13.4**		

* The Elephant and Castle Town Centre retention liability has multiple sub tranches with settlement dates dependent on sectional practical completion.

As at 31 December 2021

Asset	Within one year (£m)	More than one year (£m)	Total due (£m)	Tranche 1 due	Tranche 2 due
Portlands Place	2.8	2.7	5.5	February 2022	February 2024
Plot N05, East Village	—	—	—	February 2023	February 2025
Elephant Central	2.0	—	2.0	Settled	March 2022
New Maker Yards Phase 1	0.9	—	0.9	Settled	Due
New Maker Yards Phase 2	—	1.3	1.3	Settled	November 2023
Newton Place	—	3.2	3.2	October 2023	October 2025
Elephant and Castle Town Centre	—	0.5	0.5	Several*	Several*
Total	5.7	7.7	13.4		

* The Elephant and Castle Town Centre retention liability has multiple sub tranches with settlement dates dependent on sectional practical completion.

18. Provisions

	2022 £m	2021 £m
Provisions – Fire safety remediation works	14.3	—
Provisions – Tax enquiry settlement	18.7	—
	33.0	—

The fire safety remediation works provision of £14.3m (2021: £nil) represents work to be undertaken by East Village Management Limited ("EVML") on behalf of non-controlling interests for the purposes of fire safety remediation works at East Village neighbourhood properties not owned by the Group. A receivable of equal value has been recognised, being amounts expected to be recovered from non-controlling interests to offset the fire safety provision recognised (see note 15). The value of the provision has been determined with reference to contracts entered into subsequent to the year end.

There were no amounts spent during the year in relation to the provision (2021: £nil). Cash outflows in relation to the provision are expected to occur primarily in the 2023 year.

Subsequent to the year end the Group made a payment of £18.9 million to HMRC as part of an agreement signed in March 2023 to settle an ongoing tax enquiry. The settlement of this balance confirms that the Group had a present obligation at the end of the reporting period and therefore the Group has recognised a provision for £18.7m, which includes the tax settlement of £16.4m and interest accrued on this balance to 31 December 2022 of £2.3m. The £18.9 million paid included £0.2m of interest accrued in the period after 31 December 2022.

19. Long-term other payables

	2022 £m	2021 £m
Other payables – Development retentions (see note 17)	7.9	7.7
Sinking fund (see note 17)	—	4.5
	7.9	12.2

20. Loans and borrowings

	2022 £m	2021 £m
Current liabilities		
Loans and borrowings	**270.0**	98.0
Deferred loan arrangement fees	**—**	(0.2)
	270.0	97.8
Non-current liabilities		
Loans and borrowings	**1,082.9**	1,079.4
Deferred loan arrangement fees	**(10.6)**	(12.1)
	1,072.3	1,067.3

Secured asset	Date entered into	Maturity	Facility limit (£m)	Drawn down at 2022 (£m)	Drawn down at 2021 (£m)
Elephant Central	August 2018	July 2034	190.0	**190.0**	190.0
East Village	September 2019	September 2029	550.0	**550.0**	550.0
East Village	November 2019	August 2034	187.0	**187.0**	187.0
East Village	March 2015	September 2023	99.9	**98.6**	90.1
East Village	January 2016	September 2023	67.5	**64.4**	62.3
New Maker Yards Phase 1	March 2019	March 2023	32.6	**32.6**	32.6
New Maker Yards Phase 2	March 2019	March 2023	68.2	**64.8**	65.4
Newton Place	February 2021	April 2026	160.0	**76.3**	—
Elephant and Castle Town Centre	December 2021	April 2027	365.0	**79.6**	—
N/A*	January 2022	On demand	9.6	**9.6**	—
			1,729.8	**1,352.9**	1,177.4

* During the year a loan of £9.6m was received from T3 Residential Limited, an entity under common control. The loan is repayable on demand and is not secured against any of the Group's assets. The loan represents the advancement of a government grant that was awarded to T3 Residential Limited to help fund the development of affordable housing at the Elephant and Castle Town Centre Development.

During the year the Group extended the maturity date of both the New Maker Yards Phase 1 and New Maker Yards Phase 2 loans to March 2023. In February 2023 the Group exercised an option to further extend the New Maker Yards Phase 1 and New Maker Yards Phase 2 loans maturity dates to March 2024.

The New Maker Yards Phase 2 loan facility agreement includes a further one-year extension options to March 2025. The Elephant and Castle Town Centre loan facility agreement includes a one-year extension option to April 2028.

21. Derivative financial instruments

The movement in the fair value of the derivative financial instruments is as follows:

	2022 £m	2021 £m
Non-current assets		
Non-current assets	**31.7**	2.3
Current assets	**0.5**	—
Current liabilities	**—**	(0.3)
Non-current liabilities	**—**	(0.6)
Net derivatives valuation	**32.2**	1.4
Net derivatives valuation		
Opening balance	**1.4**	(2.7)
Acquisitions – New Maker Yards Phase 2 (see note 24)	**—**	(1.7)
Purchase of derivatives	**6.2**	—
Disposal of derivatives	**(1.0)**	—
Change in fair value of derivatives	**25.6**	5.8
Closing balance	**32.2**	1.4

Notes to the financial statements continued

21. Derivative financial instruments continued

The Group holds a number of swap arrangement to hedge floating rate interest payable on several of its loans:

Notional amount (£m)	Effective date	Termination date	Fixed rate
35.6	13 March 2019	13 March 2024	1.2%
74.5	15 March 2019	15 March 2024	1.3%
32.3	25 February 2022	25 April 2026	0.8%
32.3	25 February 2022	25 April 2026	0.8%

The Group also holds the following interest rate caps:

Notional amount (£m)	Effective date	Termination date	Cap rate
65.8	1 March 2022	21 July 2026	1.5%
161.0	13 October 2022	30 September 2023	4.0%

Notional amounts are stated as at 31 December 2022. All of the financial derivatives included in the above table were valued by an external consultant using a discounted cash flow model and market information, the primary level 2 input being interest rate curves. The Group does not apply hedge accounting so movements in fair value are taken directly to the Group's Statement of Comprehensive Income.

22. Liabilities – reconciliation of cash and non-cash movements

		Cash flows				Non-cash flows				
	2021 £m	Drawdown £m	Interest paid £m	Derivative purchases £m	Derivative disposals £m	Change from long-term to short-term £m	Fair value changes £m	Amortisation of loan fees £m	Interest charged* £m	**2022 £m**
Short-term liabilities										
Loans and borrowings	98.0	15.1	—	—	—	152.4	—	—	4.5	**270.0**
Loan arrangement fees	(0.2)	—	—	—	—	(0.3)	—	0.5	—	**—**
Accrued loan interest**	6.0	—	(28.2)	—	—	—	—	—	28.1	**5.9**
	103.8	15.1	(28.2)	—	—	152.1	—	0.5	32.6	**275.9**
Long-term liabilities										
Loans and borrowings	1,079.4	145.3	—	—	—	(152.4)	—	—	10.6	**1,082.9**
Loan arrangement fees	(12.1)	—	—	—	—	0.3	—	1.2	—	**(10.6)**
	1,067.3	145.3	—	—	—	(152.1)	—	1.2	10.6	**1,072.3**
Derivatives used to hedge borrowings										
Derivative financial instruments	(1.4)	—	—	(6.2)	1.0	—	(25.6)	—	—	**(32.2)**
Total liabilities from financing activities	1,169.7	160.4	(28.2)	(6.2)	1.0	—	(25.6)	1.7	43.2	**1,316.0**

* Interest charged includes non-utilisation fees and is net of accrued interest of £4.3m which is not capitalised on the loan balance but is included in other payables (see note 17).

** Accrued loan interest relates to interest on both long-term liabilities and short-term liabilities.

22. Liabilities – reconciliation of cash and non-cash movements continued

	2020 £m	Cash flows: Drawdown £m	Cash flows: Loan and hedge fees £m	Cash flows: Interest paid £m	Non-cash flows: Balances acquired*** £m	Non-cash flows: Fair value changes £m	Non-cash flows: Accrued loan fees £m	Non-cash flows: Amortisation of loan fees £m	Non-cash flows: Interest charged* £m	2021 £m
Short-term liabilities										
Loans and borrowings	32.6	4.5	—	—	60.9	—	—	—	—	98.0
Loan arrangement fees	(0.1)	—	—	—	(0.2)	—	—	0.1	—	(0.2)
Accrued loan interest**	4.3	—	—	(24.5)	—	—	—	—	26.2	6.0
	36.8	4.5	—	(24.5)	60.7	—	—	0.1	26.2	103.8
Long-term liabilities										
Loans and borrowings	1,029.4	47.1	—	—	—	—	—	—	2.9	1,079.4
Loan arrangement fees	(13.8)	—	—	—	—	—	—	1.7	—	(12.1)
	1,015.6	47.1	—	—	—	—	—	1.7	—	1,067.3
Derivatives used to hedge borrowings										
Derivative financial instruments	2.7	—	—	—	1.7	(5.8)	—	—	—	(1.4)
Total liabilities from financing activities	1,055.1	51.6	—	(24.5)	62.4	(5.8)	—	1.8	29.1	1,169.7

* Interest charged includes non-utilisation fees and is net of accrued interest of £6.0m which is not capitalised on the loan balance but is included in other payables (see note 17).

** Accrued loan interest relates to interest on both long-term liabilities and short-term liabilities.

*** During the 2021 year the group acquired New Maker Yards Phase 2 and resultantly became party to its loan obligations (see note 24).

23. Risks and financial instruments

The Group's key financial risks arising from its operating activities and its financial instruments are:

- credit risk;
- liquidity risk; and
- market risk (including interest rate risk and currency risk).

The Directors have overall responsibility for the establishment and oversight of the risk management framework.

Categories of financial instruments:

	2022 Carrying value £m	2022 Fair value £m
Financial assets		
At fair value through profit or loss:		
Derivative financial instruments (level 2)	**32.2**	**32.2**
Financial liabilities		
At amortised cost:		
Loans and borrowings – fixed rate (level 3)	**926.0**	**779.9**
Loans and borrowings – floating rate (level 3)	**416.3**	**416.3**

	2021 Carrying value £m	2021 Fair value £m
Financial assets		
At fair value through profit or loss:		
Derivative financial instruments (level 2)	2.3	2.3
Financial liabilities		
At amortised cost:		
Loans and borrowings – fixed rate (level 3)	915.1	960.2
Loans and borrowings – floating rate (level 3)	250.0	250.0
At fair value through profit or loss:		
Derivative financial instruments (level 2)	0.9	0.9

Notes to the financial statements continued

23. Risks and financial instruments continued

Management assessed that the fair values of cash and cash equivalents, financial assets included in trade and other receivables and financial liabilities included in trade and other payables (all at amortised cost) approximate their carrying amounts largely due to the short-term maturities of these instruments. The difference between the fair value and the carrying amount of non-current trade and other receivables and long-term other payables is immaterial. The fair values of the fixed rate loans and borrowings have been calculated based on a discounted cashflow model using the prevailing market rate of interest, determined with reference to recent transactions and negotiations occurring within the Group for loans with similar terms.

Financial instruments that are measured subsequent to initial recognition at fair value are disclosed as levels 1 to 3 based on the degree to which the fair value is observable (see note 5).

Credit risk

The Group services the private rental property sector as it rents its investment properties to third party private residents. The PRS industry is highly competitive and relies on payment of financial obligations by private individuals, whose economic circumstances can alter from time to time. If a tenant experiences financial difficulties this may result in arrears which, ultimately, are pursued through a legal process which can end in repossession of the property. The Group mitigates this risk by conducting comprehensive credit checks. Currently, for those tenants that do not pass credit checks, the Group requires receipt of a deposit prior to tenancy commencement and will insist on guarantors as required. The effectiveness of the Group's policy in this regard is evidenced by the Group's consistently high collection rates of 97% (2021: 97%).

The Group considers the credit worthiness of counterparties holding balances that are included within other receivables, ensuring that amounts are not advanced unless full recoverability is anticipated.

The credit risk on liquid funds is limited because the significant counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group aims to mitigate liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. For details of the Group's available debt facilities, including undrawn amounts, see note 20.

The following table represents the contractual undiscounted cash flow:

2022	Carrying amount £m	Contractual cash flow £m	Less than one year £m	One to two years £m	Two to five years £m	Over five years £m
Trade and other payables	**72.0**	**72.0**	**64.1**	**2.7**	**4.1**	**1.1**
Loans and borrowings	**1,342.3**	**1,558.3**	**291.1**	**23.3**	**225.7**	**1,018.2**
Total	**1,414.3**	**1,630.3**	**355.2**	**26.0**	**229.8**	**1,019.3**

2021	Carrying amount £m	Contractual cash flow £m	Less than one year £m	One to two years £m	Two to five years £m	Over five years £m
Trade and other payables	122.5	122.5	110.3	2.9	8.8	0.5
Loans and borrowings*	1,166.7	1,451.5	122.0	182.0	79.6	1,067.9
Derivative financial instruments	0.9	0.9	0.3	0.6	—	—
Total	1,290.1	1,574.9	232.6	185.5	88.4	1,068.4

* Included within loans and borrowings is a carrying amount of £1.6m which is classified as trade and other payables on the Statement of Financial Position at 31 December 2021. This balance relates to accrued interest and non-utilisation fees on loan facilities not yet utilised and the contractual cashflows are also shown in the loans and borrowings line of the above note.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Group's income or the value of its investment properties and holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group has no significant assets or liabilities denominated in currencies other than Pounds Sterling and was therefore not exposed to currency risk at the Statement of Financial Position date.

Interest rate risk

The Group's interest-bearing financial assets and liabilities expose it to risks associated with the effect of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The long-term other payables are not subject to interest rate risk as they do not bear interest.

23. Risks and financial instruments continued

Interest rate risk continued

The interest rate profile of the Group's financial assets and liabilities, excluding short-term payables and receivables, as at 31 December 2022 was:

2022	**Fixed rate items £m**	**Floating rate items £m**	**Total carrying value (before unamortised loan issue costs) £m**
Financial assets			
Cash at bank	**—**	**66.5**	**66.5**
Monies held in restricted accounts and deposits	**—**	**13.5**	**13.5**
Total	**—**	**80.0**	**80.0**
Financial liabilities			
Loans and borrowings (before the effect of the derivative and excluding accrued interest)	**936.6**	**416.3**	**1,352.9**

2021	Fixed rate items £m	Floating rate items £m	(As restated*) Total carrying value (before unamortised loan issue costs) £m
Financial assets			
Cash at bank	—	85.1*	85.1*
Restricted cash	—	15.9*	15.9*
Total	—	101.0	101.0
Financial liabilities			
Loans and borrowings (before the effect of the derivative and excluding accrued interest)	927.0	250.4	1,177.4

* Cash and cash equivalents and restricted cash have been retrospectively restated as at 31 December 2021 following a clarification by IFRIC on the presentation of monies that have legal or contractual restrictions on their use but are physically accessible, see note 16 for further information.

The Group makes use of derivative financial instruments where possible to minimise the Group's overall exposure to interest rates.

Cash flow sensitivity analysis for variable rate instruments

The Group has derivative arrangements in place to fix the interest rate on the majority of its variable rate loans with high hedge efficiency. Therefore the Group's loans and borrowings as at 31 December 2022 are not subject to significant changes in interest rate movements. However, the interest rate derivatives are subject to movements in floating interest rates based on SONIA (see note 2). The impact on the fair value of the derivative financial instruments if interest rates increase/decrease by 50 basis points would be an increase/decrease in the gain on derivative financial instruments of £4.6m (2021: £3.5m).

Fair value measurements

The following table presents the Group's assets and liabilities that are measured at fair value.

2022 Recurring fair value measurements	**Assets £m**	**Liabilities £m**	**Total gain/ (losses) £m**
Level 2			
Derivative financial instruments	**32.2**	**—**	**25.6**

2021 Recurring fair value measurements	Assets £m	Liabilities £m	Total losses £m
Level 2			
Derivative financial instruments	2.3	(0.9)	5.8

Notes to the financial statements continued

24. Asset acquisition between entities under common control

On 15 September 2021, the Group acquired the entire share capital of Get Living Group (Middlewood Locks) Phase 2 Topco Limited ('MWL2 TopCo'), collectively known as New Maker Yards Phase 2, from Middlewood Locks LLP ('MWL LLP') for a total consideration of £142.3m.

Get Living Group (Middlewood Locks) Phase 2 Topco Limited is a private limited company registered in the British Virgin Islands. Middlewood Locks LLP and its subsidiaries are entities jointly controlled ultimately by the same shareholders (note 29).

The acquisition was for the New Maker Yards Phase 2 site in Salford, Manchester with a view to completing the development of this property as a residential scheme, alongside the Group's existing New Maker Yards Phase 1 property.

The acquisition was not treated as an acquisition of a business as the acquired group held one property asset with negligible operations. As such, the transaction was treated as an asset acquisition between entities under common control and the identifiable assets and liabilities of the acquired group were recorded at their fair values on the acquisition date.

	£m
Fair value of net assets acquired:	
Investment property	119.8
Trade and other receivables	85.2
Cash and cash equivalents	12.9
Loan net of arrangement fees	(60.7)
Trade and other payables	(13.2)
Derivative financial instruments	(1.7)
Net assets acquired	**142.3**

No cash was transferred in consideration for this transaction as it was funded through Shareholder funding of £142.3m (note 25).

25. Other equity reserves

	2022 £m	2021 £m
Opening balance	**541.3**	239.4
Equity contribution for asset acquisition (note 24)	**—**	142.3
Other equity contribution	**48.0**	159.6
Closing balance	**589.3**	541.3

During the year there was a cash equity contribution from shareholders in the ordinary course of business of £48.0m (2021: £159.6m). Shareholder funding is interest free and repayable only upon liquidation of Get Living PLC. In the prior year there was also a non-cash contribution of £142.3m in respect of the acquisition of New Maker Yards Phase 2 (see note 24).

26. Retained earnings

The retained earnings reserve represents cumulative profits, including unrealised profit on the remeasurement of investment properties and investment properties under construction.

27. Share capital and other reserves

	Number of ordinary shares	Ordinary shares of £1 each £m	Share premium £m
Allotted, called up share capital:			
At 31 December 2021 and 31 December 2022	1,000,000	1.0	—

Holders of ordinary shares are entitled to one vote per share. The Company is authorised to issue unlimited shares.

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise shareholder value. There are no debt covenants that place any restriction over capital.

Distributable reserves
The distributable reserve was created in 2018 by transferring share premium of £950.7m to distributable reserves through a capital reduction. During the year, a total dividend of £nil (2021: £nil) has been paid to shareholders from the distributable reserve.

Amounts available for distribution consist of the Company's realised profits within retained earnings and the distributable reserve (see note 12 to the Company's financial statements).

Consolidation reserve
In November 2018, the Group was formed through a reorganisation in which the Company became a new parent entity of the Group. The Group financial statements were prepared using the pooling of interests method, with the difference in share capital and reserves resulting from the use of the pooling of interests method of £10.8m being recorded as an adjustment to the consolidation reserve in the period ended 31 March 2019.

28. Non-controlling interests

The non-controlling interest relates to the estate management company for East Village, EVML. The non-controlling interest represents the units operated by Triathlon Homes LLP – shared ownership and social housing.

The cumulative non-controlling interest of EVML at 31 December 2022 was £0.1m (2021: £0.1m).

The non-controlling interest reserve represents corresponding cumulative profits from EVML's company operations.

29. Controlling parties

At 31 December 2022, Get Living PLC was jointly controlled as follows:

(i) by DOOR, SLP, a limited partnership registered and incorporated in Jersey;

(ii) by QD UK Holdings LP, a limited partnership registered and incorporated in Scotland; and

(iii) by Stichting Depositary APG Strategic Real Estate Pool, a pension fund asset manager based in the Netherlands.

Subsequent to the year end QD UK Holdings LP, one of the Group's controlling parties, exchanged on a transaction to dispose of its entire shareholding in Get Living PLC to Aware Super, an Australian superannuation fund.

30. Related party disclosures

Transactions between the Group and its related parties that are recognised in the Statement of Comprehensive Income and Statement of Financial Position are summarised below:

	2022 £m	2021 £m
Group Statement of Comprehensive Income		
Advisory fees charged by Qatari Diar Europe LLP and expensed	**(0.8)**	—
Development advisory fees charged to entities under common control	**0.5**	—

	2022 £m	2021 £m
Group Statement of Financial Position		
Advisory fees charged by Qatari Diar Europe LLP and capitalised to investment property	**0.8**	1.9
Receivable from QD UK Holdings LP	**0.4**	—
Development advisory fees receivable from entities under common control	**0.5**	—
Shareholder equity not settled in cash	**85.2**	85.2
Insurance proceeds payable to shareholders	**(1.3)**	(1.3)
Loan from T3 Residential Limited	**(9.6)**	—

30. Related party disclosures continued

Qatari Diar Europe LLP is a wholly owned subsidiary of Qatari Diar Real Estate Investment Company which has control over QD UK Holdings LP as a limited partner.

Total fees of £1.6m were incurred with respect to services provided by Qatari Diar Europe LLP in the year ended 31 December 2022 (2021: £1.9m), of which £0.8m (2021: £nil) were expensed and £0.8m (2021: £1.9m) were capitalised to investment property. As at 31 December 2022 there were no fees payable to Qatari Diar Europe LLP (2021: £nil).

During the year the Group incurred expenses of £0.8m (2021: £nil) on behalf of QD UK Holdings LP. The Group recharged £0.8m (2021: £nil) of these expenses to QD UK Holdings LP of which £0.4m (2021: £nil) remains receivable as at the Statement of Financial Position date.

The Group recognised other income of £0.5m as a result of development advisory services provided to entities under common control (2021: £nil).

There is a balance of £85.2m included within other receivables being shareholder equity that has not been settled in cash, whereby the shareholders have committed equity to guarantee the due performance of the New Maker Yards Phase 2 group companies of payment obligations under both a building agreement and a facility agreement to the sum of this amount. Following practical completion of New Maker Yards Phase 2, the third party guarantees have significantly reduced.

The Group received insurance proceeds from a third party, which as at the statement of financial position date were payable to shareholders and were therefore recognised as an other payable.

During the year a loan of £9.6m was received from T3 Residential Limited, an entity under common control. The loan is repayable on demand and is not secured against any of the Group's assets. The loan represents the advancement of a government grant that was awarded to T3 Residential Limited to help fund the development of affordable housing at the Elephant and Castle Town Centre Development.

Get Living operates a co-investment plan for certain members of the Executive Team. The plan allows the participant to invest into the Company over the term of the plan. The plan allows for a subscription for units that vest on a liquidity event or at the end of seven years by reference to Net Asset Value per share. The amount of co-investment held on the Statement of Financial Position as at 31 December 2022 is £0.4m (2021: £nil). The amount of the co-investment scheme expensed to the Statement of Comprehensive Income is included within salaries and wages for key management personnel, see note 8.

During the year ended 31 December 2021, there was an asset acquisition between entities under common control which is disclosed in note 24.

See note 37 for the list of subsidiary undertakings of the Company.

31. Capital commitments

The Group has the following current commitments under its development projects.

	2022 £m	2021 £m
Newton Place	**72.1**	132.8
Elephant and Castle Town Centre	**440.0**	505.7
New Maker Yards Phase 2	**—**	3.2
East Village	**34.5**	27.3
Total	**546.6**	669.0

Capital commitments represent contractually committed development expenditure, including amounts agreed under forward funding contracts and a commitment to purchase the existing academic building owned by the University of the Arts London for £70.5m, with the cash outflow for this purchase anticipated to be in 2024. All amounts aside from the commitment to purchase an academic building are already captured in the financial statements as either a deduction to the fair value of investment property or a provision in the Statement of Financial Position.

32. Contingent liabilities

As part of the acquisition of New Maker Yards Phase 2 (note 24) the Group became party to guarantee agreements relating to financing arrangements and development contracts. Initially there was a maximum aggregate liability of £85.2m payable under these guarantees which is backed by shareholder loans to the sum of £85.2m (see note 15). Following practical completion of the New Maker Yards Phase 2 development, the total guarantee outstanding as at 31 December 2022 is £2.3m (2021: £5.7m).

The Group was subject to an ongoing tax enquiry at the Statement of Financial Position date that subsequently resulted in a future outflow of economic resources, accordingly a provision has been recognised, refer to note 18.

33. EPRA performance measurements

In accordance with the latest published EPRA guidelines (EPRA Best Practices Recommendations) the Group has presented the appropriate measures being EPRA Net Reinstatement Value ("EPRA NRV"), EPRA Net Tangible Assets ("EPRA NTA"), EPRA Net Disposal Value ("EPRA NDV") and EPRA Loan to Value ("EPRA LTV").

The EPRA NRV seeks to highlight the value of net assets on a long-term basis and assumes that entities never sell assets and aims to represent the value required to rebuild the entity. Assets and liabilities that are not expected to crystallise in normal circumstances, such as the fair value movements on derivatives, are therefore excluded. Since the aim of the metric is to also reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, related costs such as real estate transfer taxes should be included. EPRA NRV will be the primary EPRA measure used by the Group.

The EPRA NTA calculation assumes entities buy and sell assets, with fair value movements on derivatives being excluded. It is the board's intention to hold all investment properties for the long term and not to sell them.

The EPRA NDV seeks to represent the full extent of liabilities and resulting shareholder value if company assets are sold and/or if liabilities are not held until maturity. For this purpose, the EPRA NDV provides the reader with a scenario where financial instruments and certain other adjustments are calculated as to the full extent of liabilities, net of any resulting tax.

	2022 £m		
EPRA Net Asset Value measures	**EPRA NRV**	**EPRA NTA**	**EPRA NDV**
Total shareholders' equity	**1,513.6**	**1,513.6**	**1,513.6**
Deficit of fair value of trading property over carrying value	**3.5**	**3.5**	**3.5**
Derivative financial instruments	**(32.2)**	**(32.2)**	**—**
Deficit of fair value of fixed interest rate debt over carrying value	**—**	**—**	**146.1**
Real estate transfer tax	**79.0**	**—**	**—**
EPRA measure	**1,563.9**	**1,484.9**	**1,663.2**
Per share measure (£)*	**1,564**	**1,485**	**1,663**

* The EPRA NAV per share, EPRA NRV per share, EPRA NTA per share and EPRA NDV per share are calculated by dividing the EPRA performance measure by the number of ordinary shares in issue at the end of the reporting period, being 1,000,000 shares.

	2021 £m		
EPRA Net Asset Value measures	EPRA NRV	EPRA NTA	EPRA NDV
Total shareholders' equity	1,329.3	1,329.3	1,329.3
Derivative financial instruments	(1.4)	(1.4)	—
Excess of fair value of fixed interest rate debt over carrying value	—	—	(45.1)
Real estate transfer tax	75.6	—	—
EPRA measure**	1,403.5	1,327.9	1,284.2
Per share measure (£)*	1,404	1,328	1,284

* The EPRA NAV per share, EPRA NRV per share, EPRA NTA per share and EPRA NDV per share are calculated by dividing the EPRA performance measure by the number of ordinary shares in issue at the end of the reporting period, being 1,000,000 shares.

** At 31 December 2021, the fair value of trading property is equal to the carrying value.

Notes to the financial statements continued

33. EPRA performance measurements continued

The EPRA LTV seeks to present a gearing metric that is comparable between entities through standardisation of calculation.

EPRA LTV measure	2022 £m	2021 £m
Net debt		
Include:		
Loans and borrowings	**1,342.3**	1,165.1
Net payables	**—**	12.6
Exclude:		
Cash and cash equivalents	**(66.5)**	(85.1)
Net debt	**1,275.8**	1,092.6
Investment property portfolio and other eligible assets		
Investment properties at fair value	**2,659.2**	2,366.2
Trading property	**68.6**	35.6
Net receivables	**13.5**	—
Restricted cash	**13.5**	15.9
Total investment property portfolio and other eligible assets	**2,754.8**	2,417.7
EPRA LTV	**46.3%**	45.2%

34. Net asset value per share

Net asset value per share is calculated as equity attributable to owners divided by the number of ordinary shares in issue at the end of the reporting period. As at 31 December 2022, net asset value per share is £1,514 (2021: £1,329).

35. Earnings per share

Earnings per share is calculated as profit after taxation attributable to equity holders of the parent of £136.3m (2021: £58.1m) divided by the weighted number of shares in issue during the year ended 31 December 2022 of 1,000,000 shares (2021: 1,000,000 shares). Basic earnings per share and diluted earnings per share amount to £136.36 (2021: £58.03).

36. Subsequent events

Subsequent to the year end QD UK Holdings LP, one of the Group's controlling parties, exchanged on a transaction to dispose of its entire shareholding in Get Living PLC to Aware Super.

Subsequent to the year end the Group made a payment of £18.9 million to HMRC as part of an agreement signed in March 2023 to settle an ongoing tax enquiry. The settlement of this balance confirms that the Group had a present obligation at the end of the reporting period and therefore the Group has recognised a provision for £18.7m, refer to note 18.

There are no further subsequent events that impact the Group.

37. Subsidiaries

Subsidiaries of Get Living PLC	Country of incorporation	Status	Class of shares held	2022 ownership %	2021 ownership %
Get Living London EV Holdco Limited	UK	Active	Ordinary	100	100
Get Living London EV N01 Limited	UK	Active	Ordinary	100	100
Get Living London EV N02 Limited	UK	Active	Ordinary	100	100
Get Living London EV N03 Limited	UK	Active	Ordinary	100	100
Get Living London EV N04 Limited	UK	Active	Ordinary	100	100
Get Living London EV N05 Limited**	UK	Active	Ordinary	100	100
Get Living London EV N06 Limited	UK	Active	Ordinary	100	100
Get Living London EV N07 Limited	UK	Active	Ordinary	100	100
Get Living London EV N08 Limited	UK	Active	Ordinary	100	100
Get Living London EV N09 Limited	UK	Active	Ordinary	100	100
Get Living London EV N10 Limited	UK	Active	Ordinary	100	100
Get Living London EV N13 Limited	UK	Active	Ordinary	100	100
Get Living London EV N14 Limited	UK	Active	Ordinary	100	100
Get Living London EV N15 Limited	UK	Active	Ordinary	100	100
Get Living London EV N26 Limited	UK	Active	Ordinary	100	100
Get Living London EV1 Holdco Limited	UK	Dormant	Ordinary	100	100
Get Living London EV2 Holdco Limited	UK	Active	Ordinary	100	100
Get Living London Limited	UK	Active	Ordinary	100	100
Newincco 1234 Limited	UK	Active	Ordinary	100	100
QDD Athletes Village UK Limited	UK	Active	Ordinary	100	100
QDD East Village UK Limited	UK	Dormant	Ordinary	100	100
QDD (Village Plots) Holdco Limited	UK	Active	Ordinary	100	100
QDD EV Holdco Limited	UK	Dormant	Ordinary	100	100
QDD EV N01 Limited	UK	Active	Ordinary	100	100
QDD EV N02 Limited	UK	Active	Ordinary	100	100
QDD EV N03 Limited	UK	Active	Ordinary	100	100
QDD EV N04 Limited	UK	Active	Ordinary	100	100
QDD EV N07 Limited	UK	Active	Ordinary	100	100
QDD EV N09 Limited	UK	Active	Ordinary	100	100
QDD EV N10 Limited	UK	Active	Ordinary	100	100
QDD EV N13 Limited	UK	Active	Ordinary	100	100
QDD EV N14 Limited	UK	Active	Ordinary	100	100
QDD EV N15 Limited	UK	Active	Ordinary	100	100
QDD EV N26 Limited	UK	Active	Ordinary	100	100
QDD EV N05 Holdco 1 Limited	UK	Dormant	Ordinary	100	100
QDD EV N05 Holdco 2 Limited	UK	Dormant	Ordinary	100	100
QDD EV N05 Limited	UK	Active	Ordinary	100	100
QDD EV N06 Limited	UK	Active	Ordinary	100	100
QDD EV N06 (992) Limited	UK	Dormant	Ordinary	100	100
QDD EV N06/N08 Holdco 1 Limited	UK	Active	Ordinary	100	100
QDD EV N06/N08 Holdco 2 Limited	UK	Active	Ordinary	100	100
QDD EV N06/N08 Holdco 3 Limited	UK	Active	Ordinary	100	100
QDD EV N06/N08 Holdco 4 Limited	UK	Active	Ordinary	100	100
QDD EV N08 Holdco Limited	UK	Active	Ordinary	100	100
QDD EV N08 Limited	UK	Active	Ordinary	100	100
QDD EV N08 (995) Limited	UK	Active	Ordinary	100	100
QDD EV1 Investment UK Limited	UK	Dormant	Ordinary	100	100
QDD EV2 Investment UK Limited	UK	Dormant	Ordinary	100	100
QDD Holdco Limited*	BVI	Active	Ordinary	100	100
QDD Limited	BVI	Active	Ordinary	100	100
Stratford Village Development (GP) Limited	UK	Dormant	Ordinary	100	100
Stratford Village Development LP1 Limited	UK	Dormant	Ordinary	100	100
Stratford Village Development LP2 Limited	UK	Dormant	Ordinary	100	100
Stratford Village Development Partnership	UK	Active	Ordinary	100	100

Notes to the financial statements continued

37. Subsidiaries continued

Subsidiaries of Get Living PLC	Country of incorporation	Status	Class of shares held	2022 ownership %	2021 ownership %
Stratford Village Property Holdings 1 Limited	UK	Dormant	Ordinary	100	100
Stratford Village Property Holdings 2 Limited	UK	Dormant	Ordinary	100	100
SVDP Limited	UK	Dormant	Ordinary	100	100
East Village Management Limited	UK	Active	Limited by guarantee	58	58
DV4 613 Limited*	BVI	Active	Ordinary	100	100
DV4 Eadon Co. Limited	BVI	Active	Ordinary	100	100
DV4 Eadon Development UK Limited	UK	Active	Ordinary	100	100
Elephant Central Management Limited	UK	Active	Limited by guarantee	100	100
Tribeca Square (Commercial) 175 Co. Limited	BVI	Active	Ordinary	100	100
Tribeca Square (Commercial) 990 Co. Limited	BVI	Active	Ordinary	100	100
Tribeca Square (Mawes House) 175 Co. Limited	BVI	Active	Ordinary	100	100
Tribeca Square (Mawes House) 990 Co. Limited	BVI	Active	Ordinary	100	100
Tribeca Square (Portchester House) 175 Co. Limited	BVI	Active	Ordinary	100	100
Tribeca Square (Portchester House) 990 Co. Limited	BVI	Active	Ordinary	100	100
Tribeca Square (Raglan and Tantallon House) 175 Co. Limited	BVI	Active	Ordinary	100	100
Tribeca Square (Raglan and Tantallon House) 990 Co. Limited	BVI	Active	Ordinary	100	100
Get Living Group (Middlewood Locks) Topco Limited (Previously Get Living Group (Middlewood Locks) Phase 1 Topco Co. Limited)*	BVI	Active	Ordinary	100	100
Get Living Group (Middlewood Locks) Phase 1 Holdco Co. Limited	BVI	Active	Ordinary	100	100
Get Living Group (Middlewood Locks) Phase 1 Co. Limited	BVI	Active	Ordinary	100	100
Get Living Group (Middlewood Locks) Phase 1 999 Holdco Co. Limited	BVI	Active	Ordinary	100	100
Get Living Group (Middlewood Locks) I 999 Co. Limited	BVI	Active	Ordinary	100	100
Get Living Group (Middlewood Locks) Phase 1 175 Holdco Co. Limited	BVI	Active	Ordinary	100	100
Get Living Group (Middlewood Locks) I 175 Co. Limited	BVI	Active	Ordinary	100	100
Get Living Group (Middlewood Locks) Reversionary Co. Limited	BVI	Active	Ordinary	100	100
Get Living Group (Middlewood Locks) F Reversionary Co. Limited	BVI	Active	Ordinary	100	100
Get Living Group (Middlewood Locks) J Reversionary Co. Limited	BVI	Active	Ordinary	100	100
MWL Estate Management Limited	UK	Active	Limited by guarantee	100	100
Get Living (Middlewood Locks) Phase 2 Topco Limited (Previously Get Living Group (Middlewood Locks) Holdco Co. Limited)	BVI	Active	Ordinary	100	100
Get Living Group (Middlewood Locks) Co. Limited	BVI	Active	Ordinary	100	100
Get Living Group (Middlewood Locks) Residential Co. Limited	BVI	Active	Ordinary	100	100
Get Living (Middlewood Locks) Phase 2 Holdco Co. Limited	BVI	Active	Ordinary	100	100
Get Living (Middlewood Locks) Phase 2 Co. Limited	BVI	Active	Ordinary	100	100
Get Living (Middlewood Locks) Developments Limited	UK	Active	Ordinary	100	100
Get Living (MWL) One Limited	UK	Active	Ordinary	100	100
Get Living (MWL) Two Limited	UK	Active	Ordinary	100	100
Get Living Group (Middlewood Locks) Phase 2 999 Holdco Limited	UK	Active	Ordinary	100	100

37. Subsidiaries continued

Subsidiaries of Get Living PLC	Country of incorporation	Status	Class of shares held	2022 ownership %	2021 ownership %
Get Living Group (Middlewood Locks) G 999 Limited	UK	Active	Ordinary	100	100
Get Living Group (Middlewood Locks) H 999 Limited	UK	Active	Ordinary	100	100
Get Living Group (Middlewood Locks) Phase 2 175 Holdco Limited	UK	Active	Ordinary	100	100
Get Living Group (Middlewood Locks) G 175 Limited	UK	Active	Ordinary	100	100
Get Living Group (Middlewood Locks) H 175 Limited	UK	Active	Ordinary	100	100
GL Lewisham Holdco Limited*	Jersey	Active	Ordinary	100	100
GL Lewisham Holdco 1 Limited	UK	Active	Ordinary	100	100
GL Lewisham Holdco 2 Limited	UK	Active	Ordinary	100	100
GL Lewisham D1 Holdco Limited	UK	Active	Ordinary	100	100
GL Lewisham D1 250 Limited	UK	Active	Ordinary	100	100
GL Lewisham C Holdco Limited	UK	Active	Ordinary	100	100
GL Lewisham C 250 Limited	UK	Active	Ordinary	100	100
GL Lewisham D2 Holdco Limited	UK	Active	Ordinary	100	100
GL Lewisham D2 250 Limited	UK	Active	Ordinary	100	100
GL Lewisham E Holdco Limited	UK	Active	Ordinary	100	100
GL Lewisham E 250 Limited	UK	Active	Ordinary	100	100
GL Lewisham Common Parts Limited	UK	Active	Ordinary	100	100
GL Lewisham Development UK Limited	UK	Active	Ordinary	100	100
GL Lewisham Gateway Management Limited	UK	Active	Limited by guarantee	100	100
GL E&C Holdco Limited*	Jersey	Active	Ordinary	100	100
GL Elephant Two (Holdco) Limited	Jersey	Active	Ordinary	100	100
Elephant & Castle Development UK Limited	UK	Active	Ordinary	100	100
Elephant & Castle Properties Co. Limited	BVI	Active	Ordinary	100	100
Elephant & Castle 990 Uni Co Limited	UK	Dormant	Ordinary	100	100
Elephant & Castle Properties Limited	UK	Active	Ordinary	100	100
Elephant Three (Holdco) Limited	BVI	Active	Ordinary	100	100
Elephant Three Development UK Limited	UK	Dormant	Ordinary	100	100
Elephant Three Properties Limited	BVI	Active	Ordinary	100	100
E&C Manco Limited	UK	UK	Limited by guarantee	100	100

* Directly owned by Get Living PLC.

** Newly incorporated during the period ended 31 December 2022.

Ownership % is equal to the voting rights held.

Subsidiaries have the following registered offices:
UK incorporated: 6th Floor Lansdowne House, Berkeley Square, London W1J 6ER.

British Virgin Islands incorporated: Craigmuir Cambers, PO Box 71, Road Town, Tortola, British Virgin Islands.

Jersey incorporated: 47 Esplanade, St Helier, Jersey JE1 0BD.

Exceptions to the above UK incorporations:
East Village Management Limited: Websters, 12 Melcombe Place, Marylebone, London NW1 6JJ.

38. Subsidiary audit exemption

The following subsidiary entities have taken exemption from the requirements relating to the audit of their individual financial statements for the year ended 31 December 2022 by virtue of section 479A of the Companies Act 2006 and the exemption contained therein. Accordingly the Company has guaranteed the obligations of each of its subsidiary undertakings.

Subsidiaries of Get Living PLC	Registration number	Country of incorporation
QDD EV N06/N08 Holdco 1 Limited	09504426	UK
QDD Athletes Village UK Limited	07503926	UK
Stratford Village Development (GP) Limited	06583350	UK

Company statement of financial position

	Notes	2022 £m	2021 £m
Non-current assets			
Investments in subsidiaries	7	**866.2**	904.7
Loans to subsidiaries	8	**409.3**	336.5
Total non-current assets		**1,275.5**	1,241.2
Current assets			
Trade and other receivables	9	**74.3**	37.1
Cash and cash equivalents		**0.5**	1.9
Total current assets		**74.8**	39.0
Total assets		**1,350.3**	1,280.2
Current liabilities			
Trade and other payables	10	**(9.2)**	(3.5)
Income tax payable		**(0.5)**	(0.7)
Loans and borrowings	11	**(9.6)**	—
Total current liabilities		**(19.3)**	(4.2)
Net assets		**1,331.0**	1,276.0
Equity			
Share capital	12	**1.0**	1.0
Distributable reserve	12	**783.6**	783.6
Other equity reserves	13	**589.3**	541.3
Retained deficit		**(42.9)**	(49.9)
Total equity		**1,331.0**	1,276.0

The Company profit for the year was £7.0m (2021: £7.8m). There was no other comprehensive income in the year or prior period.

The financial statements were approved by the Board of Directors for issue on 27 April 2023 and were signed on its behalf by:

James Boadle
Director
27 April 2023
Company registration no. 11532492

Company statement of changes in equity

	Notes	Share capital £m	Retained earnings £m	Distributable reserve £m	Other equity reserve £m	Total equity £m
At 1 January 2021		1.0	(57.7)	783.6	239.4	966.3
Total comprehensive profit for the year		—	7.8	—	—	7.8
Other equity contributions	13	—	—	—	301.9	301.9
At 31 December 2021		1.0	(49.9)	783.6	541.3	1,276.0
Total comprehensive profit for the year		—	7.0	—	—	7.0
Other equity contributions	13	—	—	—	48.0	48.0
At 31 December 2022		**1.0**	**(42.9)**	**783.6**	**589.3**	**1,331.0**

Notes forming part of the Company financial statements

1. Statement of compliance with FRS 101

The Parent Company financial statements of Get Living PLC (the "Company") for the year ended 31 December 2022 were authorised for issue by the Board of Directors on 27 April 2023 and the Statement of Financial Position was signed on the Board's behalf by James Boadle. These Parent Company financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101).

2. Basis of preparation

The Company's financial statements have been prepared on a historical cost basis. The financial statements are presented in millions of Sterling (£m) and all values are rounded to the nearest hundred thousand Sterling (£0.1m), except where otherwise indicated. The financial statements have been prepared for the year ended 31 December 2022, with the comparative period being the year ended 31 December 2021.

See note 1 to the Group financial statements for general information about the Company.

The Company applies consistent accounting policies, as applied by the Group. To the extent that an accounting policy is relevant to both Group and Company financial statements, refer to the Group financial statements for disclosure of the accounting policy (see notes 2, 3, and 4 in the Group accounts). Accounting policies that apply to the Company only are included as appropriate (see note 3).

The Company has used the exemption granted under Section 408 of the Companies Act 2006 that allows for the non-disclosure of the income statement of the Parent Company.

The Company did not have items to be reported as other comprehensive income; therefore, no Statement of Comprehensive Income was prepared.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures – the management of financial risk disclosures including management of credit, liquidity and market risk and interest rate sensitivity analysis;
- the requirements of paragraphs 91–99 of IFRS 13 Fair Value Measurement – disclosures around fair values of assets and liabilities;
- the requirements of paragraphs 10(d), 16, 111 and 134–136 of IAS 1 Presentation of Financial Statements – presentation of statement of cash flows, explicit and unreserved statement of compliance with International Financial Reporting Standards and disclosures of the Company's objectives, policies and processes for managing capital;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – disclosure of new accounting standards and interpretations that have been issued but are not yet effective;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures – disclosure relating to compensation of key management personnel; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between the parent and wholly owned subsidiaries.

Where required, equivalent disclosures are given in the consolidated financial statements of Get Living PLC, in which the Company is consolidated.

Going concern

The financial statements of the Company have been prepared on a going concern basis. The Directors have referred to cash flow forecasts for the period to 30 June 2024 in order to assess the requirements of the Company over that period. For further information see note 2 in the Group financial statements.

Judgements and estimates

The preparation of financial statements in conformity with FRS 101 requires the use of critical judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates and assumptions concerning the future and the accounting results of those estimates may not equal the related actual results.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the relevant notes forming part of these financial statements as discussed below.

Key estimates

Investments in subsidiaries

Get Living PLC carries out an annual impairment review on the value of investments held by the Company. The underlying net assets of the subsidiaries are deemed to be the net recoverable amounts. Where the carrying value of an investment in a subsidiary exceeds its recoverable amount, an impairment is recognised. Further information is included in note 7.

Discount rate

The Company enters into long-term interest free loans with subsidiary entities. These loans are measured at fair value, represented by the present value of future cash flows discounted at the market rate of interest at the date of the initial drawdown. In determining the market rate of interest, management considers interest rates which could be achieved on external funding, and other market observations. Further information is included in note 8.

3. Summary of significant accounting policies

a) Investments in subsidiaries

Investments in subsidiaries are shown at cost less provision for impairment. Impairment exists when the carrying value of an investment in a subsidiary exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

b) Interest-free intercompany loans

Receivables arising from interest-free intercompany loans are recognised when the Company becomes party to the related contracts and are measured initially at the fair value represented by the present value of future cash flows discounted at market interest rate. An other equity reserve increasing the cost of investment in subsidiary is recognised, being the difference between the above and the consideration advanced.

After initial recognition, interest-free intercompany loans are subsequently measured at amortised cost using the effective interest method. The finance income is recognised in the Statement of Comprehensive Income.

c) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date.

Current tax is the expected tax payable on any non-REIT taxable income for the period, using tax rates applicable at the Statement of Financial Position date, any adjustment to tax payable in respect of previous years, and any charges arising from the requirements to meet the REIT regime rules.

4. Taxation

	2022 £m	2021 £m
Current tax credit	**(0.3)**	0.2
Deferred tax charge	**—**	—
Tax (credit)/charge for the year	**(0.3)**	0.2
Factors affecting the tax (credit)/charge for the year		
Profit before taxation	**6.7**	8.0
Profit before taxation multiplied by main rate of UK corporation tax of 19% (2021: 19%)	**1.3**	1.5
Effect of:		
Imputed interest not deductible for tax purposes	**(6.8)**	(3.6)
Impairment of investments	**5.1**	1.7
Losses not recognised	**—**	0.3
Transfer pricing adjustment	**0.4**	—
Interest cover ratio charge	**0.5**	0.8
Adjustments in respect of prior periods	**(0.8)**	(0.5)
Tax (credit)/charge	**(0.3)**	0.2

Notes forming part of the Company financial statements continued

5. Auditor remuneration

	2022 £'000	2021 £'000
Services provided by the Company's auditor:		
Audit fees – audit of Parent Company accounts	**4**	5
Non-audit services:		
Other assurance services – interim review	**20**	20
Tax advisory services	**20**	63
Tax compliance services	**472**	327
	516	415

6. Employees and Director remuneration

Refer to note 8 of the consolidated financial statements for Director remuneration disclosures.

The Company had one employee during the year (2021: one).

7. Investment in subsidiaries

	2022 £m	2021 £m
Opening balance	**904.7**	808.7
Other equity contribution to subsidiary undertakings	**3.3**	105.0
True-up of fair value discounting	**(15.0)**	—
Impairment of investments	**(26.8)**	(9.0)
Closing balance	**866.2**	904.7

The true up of the fair value discounting relates to the correction of the initial discounting provided on loans to subsidiaries in 2021. The directors do not consider this correction to be material to the financial statements and as such, no prior year restatement has been recorded. Refer to note 8 for the corresponding entry in loans to subsidiaries.

The Directors believe that the carrying value of the investments is supported by their underlying net assets. After an assessment of net recoverable amount, an impairment of £26.8m (2021: £9.0m) has been made. Impairments in the current year are primarily due to fair value losses on the revaluation of investment property, resulting in a decrease in the underlying net assets of the investments. The overall impact on the Group's consolidated results is £nil (2021: £nil).

Subsidiaries directly held by the Company:	2022 ownership %	2021 ownership %
QDD Holdco Limited	**100**	100
DV4 613 Limited	**100**	100
Get Living Group (Middlewood Locks) Topco Limited	**100**	100
GL Lewisham Holdco Limited	**100**	100
GL E&C Holdco Limited	**100**	100

The full list of subsidiary undertakings of the Company and their details are set out in note 37 to the Group financial statements.

8. Loans to subsidiaries

	2022 £m	2021 £m
Interest-free intercompany term loans:		
Amounts due from Get Living Group (Middlewood Locks) Topco Limited	**146.9**	133.7
Amounts due from GL Lewisham Holdco Limited	**94.4**	79.1
Amounts due from GL E&C Holdco Limited	**141.4**	116.2
Amounts due from QDD Holdco Limited	**17.0**	7.5
Interest-free intercompany loans repayable on demand:		
Amounts due from GL E&C Holdco Limited	**9.6**	—
	409.3	336.5

The Company has issued interest free term loans to its subsidiary entities in order to finance their operations. The total principal advanced is discounted to present value using the market interest rate of 10%. The difference between the principal advanced and its present value is recognised as an investment in subsidiary. Imputed interest is charged on the interest free loan balance.

The interest free loan due from Get Living Group (Middlewood Locks) Topco Limited is a term loan issued in March 2019 with further drawdowns in September 2021 and is repayable in March 2025.

The interest free loan due from GL Lewisham Holdco Limited is a term loan issued in July 2020 with multiple further drawdowns between July 2020 and December 2021 and is repayable in July 2026.

The interest free loan due from GL E&C Holdco Limited is a term loan issued in August 2020 with multiple further drawdowns between August 2020 and June 2022 and is repayable in July 2025.

The interest free loan due from QDD Holdco Limited is a term loan issued in December 2021, with further subsequent drawdowns beyond that date, and is repayable in December 2027.

During the year the Company issued an interest free loan to GL E&C Holdco Limited which is repayable on demand (see note 11).

Reconciliation of movements during the year and cumulative totals:

Counterparty	Get Living Group (Middlewood Locks) Topco Limited £m	GL Lewisham Holdco Limited £m	GL E&C Holdco Limited £m	QDD Holdco Limited £m	Total £m
Opening balance	133.7	79.1	116.2	7.5	336.5
True-up of fair value discounting	—	6.6	5.7	2.7	15.0
Issue of interest free loan	—	—	8.7	6.9	15.6
Fair value adjustment on issue of interest free loan (note 7)	—	—	(2.2)	(1.1)	(3.3)
Imputed interest income	13.2	8.7	13.0	1.0	35.9
Closing balance	**146.9**	**94.4**	**141.4**	**17.0**	**399.7**
Cumulative totals					
Drawdown	179.8	130.8	177.0	20.2	507.8
Fair value adjustment on issue	(56.1)	(49.6)	(62.3)	(6.9)	(174.9)
Liability recognised on drawdown	123.7	81.2	114.7	13.3	332.9
Imputed interest accrued	23.2	13.2	26.7	3.7	66.8
Total liability	**146.9**	**94.4**	**141.4**	**17.0**	**399.7**

The true up of the fair value discounting relates to the correction of the initial discounting provided on loans to subsidiaries in 2021. The directors do not consider this correction to be material to the financial statements and as such, no prior year restatement has been recorded. Refer to note 7 for the corresponding entry in investment in subsidiaries.

The Company has considered the recoverability of the loans to subsidiaries at the reporting date based on the expected credit loss model. The expected credit loss calculated is immaterial to the Company.

Notes forming part of the Company financial statements continued

9. Trade and other receivables

	2022 £m	2021 £m
Trade and other receivables	**0.3**	0.1
Prepayments	**0.1**	—
Amounts due from subsidiary undertakings	**73.9**	37.0
	74.3	37.1

Amounts due from subsidiary undertakings are unsecured, interest free and are repayable on demand, with balances expected to be settled within twelve months of the Statement of Financial Position date. Amounts due from subsidiary undertakings includes amounts due from multiple subsidiary undertakings and represents short term funding requirements and operational amounts advanced in the normal course of business. The Company has considered the recoverability of the amounts due from subsidiary undertakings at the reporting date based on the expected credit loss model. The expected credit loss calculated is immaterial to the Company.

10. Trade and other payables

	2022 £m	2021 £m
Other creditors	**1.9**	1.1
Amounts due to subsidiary undertakings	**7.3**	2.4
	9.2	3.5

Amounts due to subsidiary undertakings are unsecured, interest free and are repayable on demand.

11. Loans and borrowings

	2022 £m	2021 £m
Loan from T3 Residential Limited	**9.6**	—
	9.6	—

During the year a loan of £9.6m was received from T3 Residential Limited, an entity under common control. The loan is repayable on demand and is not secured against any of the Company or Group's assets. The loan represents the advancement of a government grant that was awarded to T3 Residential Limited to help fund the development of affordable housing at the Elephant and Castle Town Centre Development. The Company in turn advanced this funding to GL E&C Holdco Limited as a subsidiary (see note 8).

12. Share capital and other reserves

Refer to note 27 of the consolidated financial statements for share capital and other reserves disclosures.

Total distributable reserves are the distributable reserve of £783.6m (2021: £783.6m) less realised retained deficit of £42.9m (2021: £49.9m).

13. Other equity reserves

For details on other equity reserves see note 25 in the Group accounts.

14. Controlling parties

At 31 December 2022, Get Living PLC was jointly controlled as follows:

- by DOOR, SLP, a limited partnership registered and incorporated in Jersey;
- by QD UK Holdings LP, a limited partnership registered and incorporated in Scotland; and
- by Stichting Depositary APG Strategic Real Estate Pool, a pension fund asset manager based in the Netherlands.

Subsequent to the year end QD UK Holdings LP, one of the Group's controlling parties, exchanged on a transaction to dispose of its entire shareholding in Get Living PLC to Aware Super, an Australian superannuation fund.

15. Contingent liabilities

For details on contingent liabilities see note 32 in the Group accounts. There are no other contingent liabilities that impact the Company.

16. Subsequent events

For details on subsequent events see note 36 in the Group accounts. There are no other subsequent events that impact the Company.

Glossary of terms

Assured Shorthold Tenancies ("AST") are the agreements used by landlords to let residential properties to private tenants.

Building Research Establishment Environmental Assessment Method ("BREEAM") assesses the sustainability of buildings against a range of criteria.

Build to Rent ("BtR") is private rented residential assets, built and designed specifically for renting.

Company and/or **parent** is Get Living PLC.

Direct property costs comprise ground rents payable under head leases, void costs, other direct irrecoverable property expenses, rent review fees and valuation fees.

DOOR is Delancey Oxford Residential, a co-investment vehicle.

Earnings before interest, tax, depreciation and amortisation ("EBITDA") is a metric used to evaluate a company's operating performance.

Earnings per ordinary share from continuing operations ("EPS") is the profit attributable to equity holders of the Parent divided by the weighted average number of shares in issue during the period.

European Public Real Estate Association ("EPRA") is a real estate industry body, which has issued Best Practice Recommendations in order to provide consistency and transparency in real estate reporting across Europe. Get Living has not early adopted the new EPRA Best Practice Recommendations ("BPRs").

EPRA cost ratio is the ratio of net overheads and operating expenses against gross rental income (with both amounts excluding ground rents payable). Net overheads and operating expenses relate to all administrative and operating expenses, net of any service fees, recharges or other income specifically intended to cover overhead and property expenses.

EPRA earnings is the profit after taxation excluding investment and development property revaluations, gains/losses on disposals, changes in the fair value of financial instruments and associated close-out costs and their related taxation.

EPRA vacancy rate is, as a percentage, the ERV of vacant space in the Group's property portfolio divided by ERV of the whole portfolio.

Environmental, Social and Governance ("ESG") are the three key factors in measuring sustainability.

Estimated rental value ("ERV") is the external Valuers' opinion as to the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of a property.

GHG is greenhouse gas emissions.

GRESB is the leading ESG benchmark for real estate and infrastructure investments across the world.

Gross rental income is the gross accounting rent receivable.

Group is Get Living PLC and its subsidiaries.

IFRIC is the IFRS Interpretations Committee Updates.

IFRS is International Financial Reporting Standards.

Inherent Risk is untreated risk without any mitigating actions or controls.

INREV is the European Association for Investors in Non-Listed Real Estate.

Interest cover is the number of times net interest payable is covered by net rental income.

Interest Cover Ratio ("ICR") charge is applicable to UK REITs when property profits do not pass the leverage test, being 1.25 times the property financing costs.

Interest rate cap is a contract to receive payments when interest rates are above a certain threshold, and is generally used to manage exposure to fluctuations in interest rates.

Interest rate swap is a contract to exchange fixed payments for floating payments linked to an interest rate, and is generally used to manage exposure to fluctuations in interest rates.

Loan to value ("LTV") is the ratio of net debt to the total value of investment and trading property.

Mark to market ("MTM") is the difference between the book value of an asset or liability and its market value.

Net debt is total borrowings, excluding loan issue costs, less unrestricted cash.

Net promoter score ("NPS") measures customer experience and predicts business growth. This proven metric provides the core measurement for customer experience management globally. The Net Promoter Score can range from a low of -100 (if every customer is unhappy) to a high of 100 (if every customer is happy to refer others).

Net rental income is the rental income receivable in the period after payment of direct property costs. Net rental income is quoted on an accounting basis.

Portfolio value includes both investment and trading property.

Property Income Distribution ("PID") is the required distribution of income as dividends under the REIT regime. It is calculated as 90% of exempted net income.

PRS is the UK private rented sector.

Real Estate Investment Trust ("REIT") is a listed property company which qualifies for and has elected into a tax regime, which exempts qualifying UK profits, arising from property rental income and gains on investment property disposals, from corporation tax, but which has a number of specific requirements.

Rent reviews take place at intervals agreed in the lease and their purpose is usually to adjust the rent to the current market level at the review date.

RICS is the Royal Institution of Chartered Surveyors.

SECR is Streamlined Energy & Carbon Reporting.

Sterling Overnight Index Average ("SONIA") is the effective reference for overnight indexed swaps for unsecured transactions in the Sterling market.

APPENDIX: SECR Reporting Methodology

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, also referred to as Streamlined Energy and Carbon Reporting (SECR), requires all quoted companies, "large" unquoted companies and LLPs to report their UK energy use, associated Scope 1 and 2 emissions, an intensity metric and, where applicable, global energy use in their Annual Reports. Get Living PLC has followed the GHG Reporting Protocol – Corporate Standard1 for company reporting to identify and report relevant energy and GHG emissions which are material for the company for the year ending 31 December 2022. Data is included for the year 31 December 2021 to enable comparison with the previous year.

Get Living has considered the materiality of environmental impacts arising from its operations and identified GHG emissions (generated via energy use) for Scope 1 and 2 to be the most significant. This assessment was based on financial spend and the ability for Get Living to control impacts. Although Scope 3 emissions reporting is voluntary, Get Living believes the impacts from resident's energy use is material and has also included the related GHG emissions in this report. Other areas, such as water, waste, biodiversity and emissions to air, water and land are deemed less material, however, some or all impacts may be reported in the future.

Scope

Get Living PLC has chosen to report GHG emissions using the Operational Control approach for its organisational boundary. This boundary includes owned assets where the REIT, acting as the landlord, is directly responsible for electricity and/or gas supplies and/or has control of air conditioning equipment. Additionally, Get Living has included any scope 3 material sources of emissions from owned assets, such as resident's electricity use in the reporting scope, where data is available. Emissions from residential units under control of Triathlon Homes on a long leasehold agreement are excluded, on the basis that these units are not under the operational control of Get Living PLC.

Get Living PLC has considered the seven main GHGs covered by the Kyoto protocol, including:

- Carbon dioxide (CO_2)
- Methane (CH_4)
- Nitrous oxide (N_2O)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Sulphur Hexafluoride (SF_6)
- Nitrogen Trifluoride (NF_3)

Total GHG emissions are reported in terms of carbon dioxide equivalent (CO_2e). Conversion factors have been sourced from the UK Government's Greenhouse Gas Reporting Factors for Company Reporting (2021 and 2022).

The following sources of emissions have been considered as part of this review:

Scope 1

- Direct emissions from controlled gas boilers in energy centres at Elephant Central New Maker Yards (converted from kWh usage).
- Business travel through company owned vehicles (excluded as emissions from vehicle use is negligible for the reporting period).
- Get Living PLC has chosen not to report fugitive emissions, e.g. from refrigerant leaks.

Scope 2

- Indirect emissions from electricity purchased by Get Living PLC and consumed within real estate assets owned by the company (converted from kWh usage).
- Indirect emissions from district heating purchased by Get Living PLC and consumed within landlord controlled areas of real estate assets owned by the company (converted from kWh usage). Emissions have been apportioned between landlord and tenant use on a floor area basis.
- Greenhouse Gas (GHG) emissions from electricity and district heating (Scope 2) are reported according to the 'location-based' approach.

Scope 3

- Indirect emissions from electricity purchased by Get Living PLC assets residents and consumed within real estate assets owned by the company (converted from kWh usage).
- Indirect emissions from district heating purchased by Get Living PLC and consumed within residential units of real estate assets owned by the company (converted from kWh usage). Emissions have been apportioned between the landlord and tenant use on a floor area basis.

Emissions within Operational Control

As a property company, the majority of Get Living PLC emissions arise through assets that are owned and leased. At multi-let properties, Get Living PLC acting as the landlord, has control and influence over the whole building and/or shared services, external lighting and void spaces. In this reporting year, Get Living PLC was responsible for Scope 1 and/or Scope 2 emissions at the assets held by entities listed in note 37 to the financial statements. All Get Living PLC's assets are located in the UK.

Carbon Offsets

No carbon offsets were purchased during the reporting period.

Emissions outside of Operational Control

Get Living PLC is not directly responsible for any GHG emissions/energy usage at single let/FRI assets nor at multi-let assets where the tenant is counterparty to the energy contract. These emissions form part of the wider value chain (i.e. 'Scope 3') emissions, which are currently monitored and reported only for tenants energy use. Emissions from residential units under control of Triathlon Homes on a long leasehold agreement are excluded, on the basis that these units are not under the operational control of Get Living PLC.

Baseline Year

A baseline year of 2021 has been selected to enable comparison over time. The baseline year comprises energy/GHG data from all the assets (where data has been reported).

Intensity Ratios (Key Performance Indicator)

In addition to reporting relevant absolute GHG emissions (by scope and per sector), Get Living PLC has chosen to report intensity ratios, where appropriate. The denominator determined to be most relevant to the business is square metres of net lettable area. The intensity ratio is expressed as:

- Energy: kilowatt hours per metre square (net lettable area) per year, or, $kWh/m^2/yr$.
- GHG: kilograms carbon dioxide equivalent per metre square (net lettable area) per year, or, $kgCO_2e/m^2/yr$.

Like-for-like Reporting

Assets are included within like-for-like and intensity analysis where each of the following conditions is met:

- assets owned for two consecutive years;
- no major renovation or refurbishment has taken place i.e. affecting more than 50% of the building by area or number of occupants;
- at least 24 months data is available; and
- buildings have maintained at least 75% occupancy in the last 24 months.

New Maker Yards Phase 1 tenant electricity has been excluded from like-for-like due to data availability, whilst New Maker Yards Phase 2 and Portlands Place have been excluded from like-for-like due to the development works being completed during the 2021 reporting year.

Normalisation Factors

Normalisation of intensity ratios and like-for-like data has been completed to account for year-on-year changes in annual temperatures. Annual gas usage data for 2022 has been compared to, and normalised against, the UK degree day ratio between 2021 and 2022. Degree days data is sourced from www.degreedays.net using the closest and most reliable weather station to each asset.

As 2022 was a warmer year than 2021, this normalisation presents an increase in like-for-like degree day adjusted emissions and energy consumption where absolute energy consumption is unchanged. This reflects that during a warmer year the energy required to heat a space should be reduced, and therefore the consumption in the warmer year is adjusted upwards to negate the impact of the warmer weather.

No further adjustments are considered for this Annual Report, however, further evaluation concerning occupancy and/or operation hours may be considered in the future.

Data Collection and Validation

Data has been sourced from Get Living's Property Managers and their utility brokers. Data is held within the sustainability data platform SIERA which is used as the basis for data checking and validation. In summary, the applied process includes:

1. Confirmation of asset location and scope of landlord impacts (Scopes 1 and 2)
2. Input of Scope 1 and Scope 2 data (provided by Property Managers and appointed brokers)
3. Completion of data accuracy checks
4. Initial review and/or approval of data (by Property Managers)

Furthermore, energy use within the assets is actively tracked and reported against on an annual basis.

EVORA has reviewed the accuracy of data as determined by actual or estimated kWh usage. As a percentage of the total kWh reported, actual/estimated data was reported on the following basis for 2021 and 2022:

- Scope 1 (gas): 96% actual data/4% estimated
- Scope 2 (electricity): 99% actual data/1% estimated
- Scope 3 (residents electricity): 99% actual data/1% estimated

Note that residential electricity has been excluded at New Maker Yards Phase 2. Data is only available for residential units on a move in / move out basis and, due to the age of the asset, data is currently unavailable.

Where data estimations have been calculated, the following approach has been undertaken:

- Electricity: Average daily consumption rate calculated from actual data received in same year and apportioned over the data gap period.
- Gas: Actual gas consumption for the same months at Middlewood Locks Phase 1 used to fill gaps in Middlewood Locks Phase 2, uplifted for floor area differences.
- District Heating: No district heating estimations have been required.

Scope 1 data (gas) is based on whole asset data as the landlord procures the main gas supply to the heat plants which is then provided and recharged to residents through heat meters.

Scope 2 and scope 3 district heating has been apportioned between landlord and tenant space on a floor area basis to better reflect the consumption of heat at the asset.

ENERGY EFFICIENCY ACTIONS

Data quality and granularity is a key focus in prioritising asset-level energy efficiency and sustainability measures. Throughout 2022, asset performance was monitored through a 'data guardian' process. Get Living uses SIERA to collect and validate energy and GHG emission data (as well as water and waste) for all assets where the portfolio has operational control. A quarterly dashboard enables data trends to be visualised, allowing for improved engagement with property management teams to understand and act upon consumption trends. Data quality has been improved through this process, for example ensuring that district heating at East Village can be included in this year's report, having been excluded last year.

The value of this process will continue to improve as data quality and granularity improves, aided by a smart meter pilot process has been implemented for automated data collection at the individual unit-level, with a view to rolling this out on a wider basis in future reporting years. This automation should also lead to improved access to tenant data. Additionally, Get Living has established energy reduction targets across all the assets. The quarterly monitoring of data will better allow progress against these targets to be monitored.

Further to this, Get Living has carried out training for all Estate and Property Managers on ESG topics, including monitoring of energy usage, reporting of energy data and improvement opportunities.

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Get Living PLC's commitment to environmental issues is reflected in this Annual Report, which has been printed on Premier Elements Fire, an FSC® certified material.

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