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**U AND I GROUP LIMITED (FORMERLY U AND I GROUP PLC)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2022**

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**Introduction**

The Directors of U and I Group Limited (formerly U and I Group PLC) (the 'Company') present their Strategic Report and the audited financial statements for the year ended 31 March 2022.

**Results for the year**

The results are set out in the Statement of Comprehensive Income on page 10.

**Business review, principal activities and future development**

The Company has continued its business of investment holding. No changes in the Company's principal activity are anticipated in the foreseeable future.

On 4 January 2022 the company reregistered as a private limited company and changed its name from U and I Group PLC to U and I Group Limited.

The Company is a subsidiary of Land Securities Group PLC, which together with all of its subsidiaries is referred to as the 'Group'. The principal activity of the Company during the period and for the foreseeable future is that of property investment and development. The Directors do not foresee any changes in the future activities of the Company. The loss for the year ended 31 March 2022, after taxation, amounted to £102,822,000 (2021: £62,604,000).

The Directors do not recommend the payment of a dividend for the year ended 31 March 2022 (2021: £NIL).

On 14 December 2021, LS Development Holdings Limited acquired 100% of the share capital in the Company. The Company subsequently delisted from the London Stock Exchange's Main Market on 15 December 2021. With effect from this date and as at 31 March 2022, the ultimate parent company and controlling party of U and I Group Limited was Land Securities Group PLC. This is the largest parent company of the Group to consolidate these financial statements.

**Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks. The Company is a member of the Land Securities Group PLC group of companies. Further discussion of the risks and uncertainties, in the context of the group as a whole, is provided in the group's annual report which does not form part of this report.

**Financial key performance indicators (KPIs)**

The directors of Land Securities Group PLC and its subsidiaries ('the Group') manage the Group's operations on a group basis. For this reason, the Company's Directors believe that an analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group is discussed in the consolidated financial statements of Land Securities Group PLC, in which the entity is consolidated, and which does not form part of this report.

The Directors assess the performance of the Company by reference to the successful completion and monetisation of development projects.

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022

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**Financial Risk Management**

The Company is exposed to liquidity risk, credit risk and interest rate risk. Given the absence of external borrowings in the Company, liquidity risk and interest rate risk are not considered material. While the Company has minimal short-term liquidity requirements, any funding requirements could be covered by committed facilities held by other Group companies.

The Company's principal financial assets are trade and other receivables and amounts due from Group undertakings and therefore the credit risk it faces is primarily attributable to its trade receivables and amounts due from Group undertakings. Trade receivables are presented in the Balance Sheet net of allowances for doubtful receivables. The Company assesses on a forward-looking basis the expected credit-losses associated with its trade receivables and amounts due from Group undertakings.

A provision for impairment is made for the lifetime expected credit losses on initial recognition of the receivable and amounts due from Group undertakings. In determining the expected credit-losses of trade receivables, the Company takes into account any recent payment behaviours and future expectations of likely default events (i.e. not making payment on the due date) based on individual customer credit ratings, actual or expected insolvency filings or company voluntary arrangements, likely deferrals of payments due, rent concessions and market expectations and trends in the wider macro-economic environment in which our customers operate. These assessments are made on a customer by customer basis.

There is no material difference between the book value and the fair value of the Company's financial instruments.

Further discussion of these risks and uncertainties, in the context of Land Securities Group PLC and its subsidiaries ('the Group') or the Group as a whole, is provided in the Group's Annual Report, which does not form part of this report.

**Section 172(1) statement**

The Company's ultimate parent company is Land Securities Group PLC which indirectly holds 100% of the ordinary share capital of the Company (refer note 23). The Company's framework in respect of requirements under section 172(1) of the Companies Act is applied through the Land Securities Group's processes and policies, which place stakeholders at the forefront of the Directors' decision making. Details of the Group's framework with respect to interests of customers, communities, employees, partners, suppliers and investors can be found in the consolidated financial statements of Land Securities Group PLC for the year ended 31 March 2022, available on the Group's website, [www.landsec.com](http://www.landsec.com).

At a Company level, the Directors take the interests of stakeholders, namely the Group as the Company's customer and investor and the community in which the Company operates, into account when making relevant decisions, ensuring regular and clear lines of communication between the Company and the Group. The relevance of each stakeholder group may increase or decrease by reference to the issue in question, so the Directors seek to understand the needs and priorities of each group during its discussions. This, together with the combination of the consideration of long-term consequences of decisions and the maintenance of the Group's reputation for high standards of business conduct, is integral to the way the Directors operate. The Company Secretary plays a key role in ensuring that stakeholders' interests are fully considered and addressed during the course of the Directors' discussions.

This report was approved by the board and signed on its behalf.

**C Lund, for and on behalf of U and I Director 1 Limited**  
Director

Date: 14 July 2023

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2022**

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The Directors of U and I Group Limited (formerly U and I Group PLC) (the "Company") present their report and the audited financial statements for the year ended 31 March 2022.

**Directors' responsibilities statement**

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have been elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

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

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

**Director's engagement statement**

Details of how Directors have engaged with key stakeholders of the Company have been disclosed in the Section 172(1) statement in the Strategic Report.

**Change of name**

On 4 January 2022, the Company changed its name from U and I Group PLC to U and I Group Limited.

**Change of immediate parent company**

On 15 December 2021, the Company delisted from the London Stock Exchange's Main Market. With effect from this date and as at 31 March 2022, 100% of the share capital was transferred to L S Development Holdings Limited.

**Principal activity and future business developments**

The Company is a subsidiary of Land Securities Group PLC, which together with all of its subsidiaries is referred to as the 'Group'. The principal activity of the Company during the period and for the foreseeable future is that of property investment and development. The Directors do not foresee any changes in the future activities of the Company.

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**Results and dividends**

The loss for the year, after taxation, amounted to £102,822,000 (2021 - £62,604,000).

The directors do not recommend the payment of a dividend for the year ended 31 March 2022 (2021: £Nil)

**Corporate governance**

The Company's ultimate parent company is Land Securities Group PLC which indirectly holds 100% of the ordinary share capital of the Company (refer note 23). The Company's risk management framework is applied through the Land Securities Group's Risk Management Process, which covers the risk management and internal control system. Details of the Process can be found in the consolidated financial statements for the year ended 31 March 2022, available on the Group's website.

The Directors are responsible for implementing and monitoring the effectiveness of the Company's internal controls and risk management systems. Procedures have been designed for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records and for reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatements, errors, losses or fraud. Further details are discussed in Principal Risks and Uncertainties in the Strategic Report and in notes to the financial statements. The directors are responsible for appointment of an independent statutory auditor, regularly evaluating the independence of the appointed auditor and monitoring the statutory audit of the annual accounts. The internal procedures allow the Company to comply with their regulatory obligations.

**Going concern**

Given the Company's operating model in which it recharges another Group undertaking to meet external payment obligations, the Company's ability to meet its future liabilities is dependent on the payment of these recharges by the other Group undertaking. The directors' going concern assessment covers the period to 31 July 2024 and confirmation has been received that Land Securities Group PLC (together with its subsidiaries referred to as the 'Group') will support the other Group undertaking Company until this date, so long as the other Group undertaking Company remains a subsidiary of Land Securities Group PLC. If the other Group undertaking Company was sold within the next 12 months from 31 July 2023, confirmation has been received that Land Securities Group PLC would ensure the other Group undertaking Company remains in a position to continue as a going concern at the point of sale. The Company's ability to meet its future liabilities is therefore dependent on the financial performance, position and liquidity of the Group as a whole. At the Group level, considerations included potential risks and uncertainties in the business, credit, market, property valuation and liquidity risks, including the availability and repayment profile of bank facilities, as well as forecast covenant compliance. Stress testing has been carried out to ensure the Group has sufficient cash resources to continue in operation for the period to 31 July 2024. This stress testing modelled a scenario with materially reduced levels of cash receipts over the next 12 months. Based on these considerations, together with available market information and the directors' knowledge and experience of the Company, the directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2022.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

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**Directors**

The Directors who served during the year and up to the date of this report unless otherwise stated were:

Michael James Hood (appointed 31 March 2022)  
Barry John Bennett (resigned 14 December 2021)  
Jamie Graham Christmas (appointed 17 May 2021, resigned 31 March 2022)  
Rosaleen Clare Kerslake (resigned 14 December 2021)  
Lynette Gillian Krige (resigned 14 December 2021)  
Sadie Anna Morgan (resigned 14 December 2021)  
Marcus Owen Shepherd (resigned 19 June 2021)  
Nicholas Howard Thomlinson (resigned 9 September 2021)  
Richard Upton (resigned 30 April 2022)  
Matthew Simon Weiner (resigned 31 May 2021)  
Peter Woodhouse Williams (resigned 14 December 2021)  
U and I Director 1 Limited (appointed 5 October 2022)

U and I Director 2 Limited (appointed 5 October 2022)

**Indemnity**

The Company has made qualifying third party indemnity provisions for the benefit of the respective directors which were in place throughout the year and which remain in place at the date of this report.

**Financial risk management**

The financial risk management objective and policies are disclosed in the Strategic Report.

**Disclosure of information to auditors**

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

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

**Auditors**

The auditors, Ernst & Young LLP, Statutory Auditor, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

C Lund, for and on behalf of U and I Director 1 Limited  
Director

Date: 14 July 2023

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF U AND I GROUP LIMITED (FORMERLY U AND I GROUP PLC)

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### Opinion

We have audited the financial statements of U and I Group Ltd for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for Qualified of Opinion on financial statements

In performing our opening balance testing, we have identified differences of £38.022 million in both intercompany debtors and creditors when comparing the opening trial balance to the prior year signed financial statements. Management has notified us that these differences relate to adjusting journals for reclassification misstatements of the entity but have not been able to provide any supporting journals posted for the differences.

Further, we have not been provided with relevant workings to support the payroll related accruals of £4.9 million recognised in the Statement of Financial Position and the related accruals in the creditor's disclosure note 18 of the financial statements. We were furthermore unable to obtain sufficient and appropriate evidence for the £9.5 million of wages and salaries and directors fees included in administrative expenses in the Statement of Comprehensive Income and the related note 5 of the financial statements as management could not provide enough evidence for the expenses incurred in the current year. Accordingly, we have been unable to form a conclusion on whether the salaries and wages expenses and payroll accruals recorded for the year ended 31 March 2022, or the related disclosures in note 5, 7 and 18, are free from material misstatement.

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 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, and 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 qualified opinion.

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern through the period to 31 July 2024.

### **Conclusions relating to going concern (continued)**

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, this statement is not a guarantee as to the Company's ability to continue as a going concern.

### **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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning comparative amounts in intercompany debtors and creditors, the salaries and wages included in administrative expenses and the payroll accruals included in creditors during the year ended 31 March 2022. We have concluded that where the other information refers to these balances it may be materially misstated for the same reason.

### **Opinions on other matters prescribed by the Companies Act 2006**

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and 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**

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

In respect solely of the limitation on our work relating to opening balances relating to amounts owed to and from group undertakings, payroll expenses and payroll accruals, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been kept.



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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF U AND I GROUP LIMITED (FORMERLY U AND I GROUP PLC)

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### **Matters on which we are required to report by exception (continued)**

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:

- returns adequate for our audit have not been received branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

### **Responsibilities of the directors**

As explained more fully in the directors' responsibilities statement set out on page 3, 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 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 intends to liquidate the 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 entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax regulations in the United Kingdom, including the UK REIT regulations.
- We understood how the Company is complying with those frameworks through enquiry with the Company and by identifying the Company's policies and procedures regarding compliance with laws and regulations. We also identified those members of the Company 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.

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF U AND I GROUP LIMITED (FORMERLY U AND I GROUP PLC)

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

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by reviewing the Land Securities Group risk register and through enquiry with the Company's management during the planning and execution phases of the audit. Where the risk was considered to be higher we performed audit procedures to address each identified fraud risk, specifically the risk over impairment of investments in subsidiaries, joint ventures, associates and amounts due from group undertakings.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved:
  - Enquiry of management, and when appropriate, those charged with governance of the Company 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 direct bank confirmations to vouch the existence of cash balances;
  - Obtaining and reading correspondence from legal and regulatory bodies, including HMRC; and
  - Journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding the business
- In addition, we completed procedures to conclude on the compliance of the disclosures in the financial statements with all applicable reporting requirements.

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

14 July 2023

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £'000	2021 £'000
Turnover	4	35	253
Cost of sales		(27)	(157)
<b>Gross profit</b>		<b>8</b>	<b>96</b>
Administrative expenses	5	(28,166)	(13,315)
Write downs and impairment of investments		(5,512)	(24,965)
Profit/(loss) on sale of investments		3,080	(5,805)
Loss on disposal of development and investment projects	8	(886)	(8,980)
Loss on disposal of fixed assets		(174)	-
Provision against intercompany balances	17	(26,015)	(59,552)
<b>Operating loss</b>		<b>(57,665)</b>	<b>(112,521)</b>
Income from shares in group undertakings	9	(41,494)	52,450
Interest receivable and similar income	10	82	(141)
Interest payable and similar expenses	11	(2,415)	(3,443)
<b>Loss before tax</b>		<b>(101,492)</b>	<b>(63,655)</b>
Taxation	12	(1,330)	1,051
<b>Loss for the financial year</b>		<b>(102,822)</b>	<b>(62,604)</b>
Share-based payments (net movement)		(555)	475
<b>Other comprehensive loss for the year</b>		<b>(555)</b>	<b>475</b>
<b>Total comprehensive loss for the year</b>		<b>(103,377)</b>	<b>(62,129)</b>

The notes on pages 14 to 37 form part of these financial statements.

**U AND I GROUP LIMITED (FORMERLY U AND I GROUP PLC)**  
**REGISTERED NUMBER: 01528784**

**BALANCE SHEET**  
**AS AT 31 MARCH 2022**

	Notes	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Tangible Fixed Assets	13	396	3,089
Debtors - loans and receivables	16	1,346	1,547
Deferred tax asset	20	1,739	1,797
Investments	14	122,376	122,215
		<u>125,857</u>	<u>128,648</u>
<b>Current assets</b>			
Debtors - loans and receivables	16	6,437	8,445
Debtors due within 1 year	17	213,664	312,828
Cash at bank and in hand		2,273	18,467
		<u>222,374</u>	<u>339,740</u>
Creditors: amounts falling due within one year	18	(241,966)	(242,540)
<b>Net current (liabilities)/assets</b>		<u>(19,592)</u>	<u>97,200</u>
<b>Total assets less current liabilities</b>		<u>106,265</u>	<u>225,848</u>
Creditors: amounts falling due after more than one year	19	(29,620)	(49,796)
Deferred income tax liabilities	20	(341)	(58)
Provisions for liabilities	21	-	(136)
		<u>76,304</u>	<u>175,858</u>
<b>Net assets</b>		<u>76,304</u>	<u>175,858</u>
<b>Capital and reserves</b>			
Called up share capital	22	63,588	62,716
Share premium account		106,317	104,590
Other reserves		6,356	5,687
Profit and loss account		(99,957)	2,865
<b>Total equity</b>		<u>76,304</u>	<u>175,858</u>

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**U AND I GROUP LIMITED (FORMERLY U AND I GROUP PLC)**  
**REGISTERED NUMBER: 01528784**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2022**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

C Lund, for and on behalf of U and I Director 1 Limited  
Director

Date: 14 July 2023

The notes on pages 14 to 37 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £'000	Share premium account £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
<b>At 1 April 2020</b>	<b>62,716</b>	<b>104,590</b>	<b>4,770</b>	<b>65,469</b>	<b>237,545</b>
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(62,604)	(62,604)
Treasury shares (net movement)	-	-	442	-	442
Share-based payments (net movement)	-	-	475	-	475
<b>Other comprehensive income for the year</b>	-	-	917	-	917
<b>Total comprehensive income/(loss) for the year</b>	-	-	917	(62,604)	(61,687)
<b>At 31 March 2021</b>	<b>62,716</b>	<b>104,590</b>	<b>5,687</b>	<b>2,865</b>	<b>175,858</b>
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(102,822)	(102,822)
Treasury shares (net movement)	-	-	1,224	-	1,224
Share-based payments (net movement)	-	-	(555)	-	(555)
<b>Other comprehensive income for the year</b>	-	-	669	-	669
<b>Total comprehensive income/(loss) for the year</b>	-	-	669	(102,822)	(102,153)
Shares issued during the year	872	1,727	-	-	2,599
<b>Total transactions with owners</b>	<b>872</b>	<b>1,727</b>	<b>-</b>	<b>-</b>	<b>2,599</b>
<b>At 31 March 2022</b>	<b>63,588</b>	<b>106,317</b>	<b>6,356</b>	<b>(99,957)</b>	<b>76,304</b>

The notes on pages 14 to 37 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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**1. General information**

U and I Group Limited (formerly U and I Group PLC) (the 'Company') is a private company limited by shares and is incorporated, domiciled and registered in England and Wales (Registered number: 01528784). The nature of the Company's operations is set out in the Strategic Report on page 1. The results of the Company are included in the consolidated financial statements of Land Securities Group PLC which are available from Land Securities Group PLC's registered office at 100 Victoria Street, London, SW1E 5JL.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2022. The financial statements are prepared in Pounds Sterling (£) and are rounded to the nearest thousand pounds (£000).

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ('FRS102') and the Companies Act 2006. The financial statements are prepared under the historical cost convention.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 31 March 2022. The financial statements are prepared in Pounds

Sterling (£'000).

The following principal accounting policies have been applied:

**2.2 Group accounts**

The financial statements present information about the Company as an individual undertaking and not about its group. The Company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary of Land Securities Group PLC, a Company incorporated in England and Wales whose consolidated financial statements are publicly available.

**2.3 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Land Securities PLC as at 31 March 2022 and these financial statements may be obtained from its registered office at 100 Victoria

Street, London, SW1E 5JL.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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**2. Accounting policies (continued)**

**2.4 Going concern**

Given the Company's operating model in which it recharges another Group undertaking to meet external payment obligations, the Company's ability to meet its future liabilities is dependent on the payment of these recharges by the other Group undertaking. The directors' going concern assessment covers the period to 31 July 2024 and confirmation has been received that Land Securities Group PLC (together with its subsidiaries referred to as the 'Group') will support the other Group undertaking Company until this date, so long as the other Group undertaking Company remains a subsidiary of Land Securities Group PLC. If the other Group undertaking Company was sold within the next 12 months from 31 July 2023, confirmation has been received that Land Securities Group PLC would ensure the other Group undertaking Company remains in a position to continue as a going concern at the point of sale. The Company's ability to meet its future liabilities is therefore dependent on the financial performance, position and liquidity of the Group as a whole. At the Group level, considerations included potential risks and uncertainties in the business, credit, market, property valuation and liquidity risks, including the availability and repayment profile of bank facilities, as well as forecast covenant compliance. Stress testing has been carried out to ensure the Group has sufficient cash resources to continue in operation for the period to 31 July 2024. This stress testing modelled a scenario with materially reduced levels of cash receipts over the next 12 months. Based on these considerations, together with available market information and the directors' knowledge and experience of the Company, the directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2022.

**2.5 Revenue**

Turnover represents project, development and asset management fee income, rental income, sale of stock properties and sale of investments. Project, development and asset management fee income, which excludes value added tax, is recognised as services are provided.

Sale of investment and stock properties are recorded once an irrevocable sale contract has been entered into, provided that the sale has been legally completed by the date on which the relevant financial statements are approved by the Directors.

The profit on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset at the beginning of the accounting period plus capital expenditure to the date of disposal. The loss on disposal of investment properties is presented separately on the face of the Statement of Comprehensive Income.

**2.6 Expenses**

Property and other expenditure is expensed as incurred.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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**2. Accounting policies (continued)**

**2.7 Impairment**

The carrying amounts of the Company's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below). An impairment loss is recognised in the Statement of Comprehensive Income whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. The value in use is determined as the net present value of the future cash flows expected to be derived from the asset, discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount after the reversal does not exceed the amount that would have been determined, net of applicable depreciation, if no impairment loss had been recognised.

**2.8 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.9 Finance costs**

Finance costs are charged to the Statement of Comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.10 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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**2. Accounting policies (continued)**

**2.11 Current and deferred taxation**

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the tax payable on the taxable income for the year and any adjustment in respect of previous years. Deferred tax is provided in full using the Balance Sheet liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised, or the liability is settled.

No provision is made for temporary differences (i) arising on the initial recognition of assets or liabilities, other than on a business combination, that affect neither accounting nor taxable profit and (ii) relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

**2.12 Tangible fixed assets**

Tangible assets are held at cost less accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided so as to write off the cost less estimated residual value of such assets over their expected useful lives on a straight-line basis. The principal annual rates used for this purpose are as follows:

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 20%
Fixtures and fittings	- 10% to 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.13 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment with any changes to be recognised in the Statement of comprehensive income. Management undertake an annual review of the carrying value of its investments to establish if there is any impairment to its value based on the performance of the underlying asset and external evidence.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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**2. Accounting policies (continued)**

**2.14 Debtors**

Debtors are recognised initially at fair value, subsequently at amortised cost and, where relevant, adjusted for the time value of money. The Company assesses on a forward-looking basis, the expected credit losses associated with its trade receivables. A provision for impairment is made for the lifetime expected credit losses on initial recognition of the receivable. If collection is expected in more than one year, the balance is presented within non-current assets.

In determining the expected credit losses, the Company takes into account any recent payment behaviours and future expectations of likely default events (i.e. not making payment on the due date) based on individual customer credit ratings, actual or expected insolvency filings or company voluntary arrangements, likely deferrals of payments due, rent concessions and market expectations and trends in the wider macro-economic environment in which our customers operate

**2.15 Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or fewer.

**2.16 Provisions**

A provision is recognised in the Balance Sheet when the Company has a constructive or legal obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Where relevant, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**2.17 Intercompany loans**

Amounts owed to Group undertakings

Amounts owed to Group undertakings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, amounts owed to Group undertakings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the Statement of Comprehensive Income over the period of the loan, using the effective interest method.

Amounts due from Group undertakings

Amounts due from Group undertakings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, amounts due from Group undertakings are stated at amortised cost and, where relevant, adjusted for the time value of money. The Company assesses on a forward-looking basis, the expected credit losses associated with its amounts due from Group undertakings. A provision for impairment is made for the lifetime expected credit losses on initial recognition of the amounts due. If collection is expected in more than one year, the balance is presented within non-current assets.

**2.18 Trade payables**

Trade and other payables with no stated interest rate and payable within one year are recorded at transaction price. Trade and other payables after one year are discounted based on the amortised cost method using the effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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**2. Accounting policies (continued)**

**2.19 Borrowings**

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the Statement of Comprehensive Income account over the period of the borrowings, using the effective interest method.

**2.20 Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new Ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where the Company purchases its own share capital out of distributable reserves, the shares can be held as treasury shares. The shares are carried at the consideration paid, including any directly attributable costs of acquiring the shares.

The value of the shares is deducted from the equity attributable to the Company's equity holders until the shares are cancelled or re-issued. If the shares are subsequently re-issued, their value is re-attributed to the Company's equity holders.

**2.21 Share-based payments**

The Group previously operated a number of share-based compensation plans, both equity and cash settled, under which the entity receives services from employees as consideration for cash or equity-settled instruments of the Group.

The fair value of the employee services received in exchange for the grant of the option is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted.

**2.22 Long-Term Incentive Plan (LTIP)**

The LTIP commenced on 1 March 2015.

Under the scheme, Ordinary shares are conditionally awarded based on the performance of the Group over a four-year period for Executive Directors and a three-year period for staff. The performance of the U and I Group of companies is referenced to the net asset value per share growth over the vesting period and is based on non-market conditions. The Directors assess the likelihood of the award vesting and the maximum amount that will vest based on a forward-looking forecast of the U and I Group of companies.

No expense is recognised for awards that do not ultimately vest.

At each balance sheet date before vesting, the Group revises its estimate of the number of options that are expected to vest based on the non-market and service conditions. Any adjustment to original estimates is recognised in the income statement with a corresponding adjustment to equity.

When the options are exercised, the Company will either issue new Ordinary shares or utilise existing treasury shares held by the Company.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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**2. Accounting policies (continued)**

**2.23 Dividends**

Final dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

Dividend income is recognised when the Company's right to receive payment is established.

**2.24 Changes in accounting policies and standards**

The accounting policies used in these financial statements have been amended where relevant to reflect the adoption of new standards, amendments and interpretations which became effective in the year. There have been no new accounting standards, amendments or interpretations during the year that have a material impact on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The Company's significant accounting policies are stated in note 1 above. Not all of these significant accounting policies require management to make difficult, subjective or complex judgements or estimates. The following is intended to provide an understanding of the policies that management consider critical because of the level of complexity, judgement or estimation involved in their application and their impact on the financial statements. These judgements involve assumptions or estimates in respect of future events. Actual results may differ from these estimates.

**Impairment of investments in subsidiaries and joint ventures**

The Company is required to judge when there is sufficient objective evidence to require the impairment of investments in subsidiaries and joint ventures. It does this by assessing the net asset value of each subsidiary undertaking and joint venture] as at year end. A provision for impairment is made if the net asset value of the subsidiary undertaking or joint venture is lower than the carrying amount of the investment recorded by the Company. The impairment provided on investment balances as at 31 March 2022 is £219,000 (2021: £24,950,000).

**Debtor balances**

The Company is required to judge when there is sufficient objective evidence to require the impairment of individual trade receivables. It does this by assessing on a forward-looking basis, the expected credit losses associated with its trade receivables. A provision for impairment is made for the lifetime expected credit losses on initial recognition of the receivable. In determining the expected credit losses, the Company takes into account any recent payment behaviours and future expectations of likely default events (i.e. not making payment on the due date) based on individual customer credit ratings, actual or expected insolvency filings or company voluntary arrangements, likely deferrals of payments due, rent concessions and market expectations and trends in the wider macro-economic environment in which our customers operate. These assessments are made on a customer by customer basis.

The Company's assessment of expected credit losses is inherently subjective due to the forward-looking nature of the assessments, in particular, the assessment of expected insolvency filings or company voluntary arrangements, likely deferrals of payments due and rent concessions. As a result, the value of the provisions for impairment of the Company's trade receivables are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate.

**Intercompany debtors**

The Company is required to judge when there is sufficient objective evidence to require estimate the impairment of amounts due from Group undertakings. It does this by assessing on a forward-looking basis, the expected credit losses associated with its amounts due from Group undertakings. In determining the expected credit losses, the Company takes into account any future expectations of likely default events based on the level of capitalisation of the counterparty, which is a fellow subsidiary undertaking of Land Securities Group PLC. The impairment provided on intercompany balances as at 31 March 2022 is £26,015,000 (2021: £59,552,000).

**Early-stage development and investment projects**

Early-stage development and investment projects are carried at the lower of cost and fair value less costs to sell. Cost includes directly attributable expenditure. The Company has capitalised certain internal staff costs directly attributable to the development schemes. Staff costs capitalised are estimated with reference to the time spent on the project during the period. Where the Director considers that the costs are not recoverable from the sale or development of the asset, the project or site is written down to its net realisable value, with the write down taken to the income statement. Fair value less costs to sell is calculated as the estimated value of the project or site, based upon our current plans, less all further costs to be incurred in making the sale.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2022 £'000	2021 £'000
Project Management fees	35	253
	<u>35</u>	<u>253</u>

All turnover arose within the United Kingdom.

**5. Administrative costs**

	2022 £'000	2021 £'000
Wages & salaries	9,099	1,828
Directors fees	433	403
Other staff costs	956	1,786
Property expenditure	864	2,390
Depreciation	2,595	1,393
Office expenses	702	792
Insurance	356	277
Professional fees	7,856	4,343
Donations	7	22
Sundry expenses	4,628	-
Other costs	670	81
	<u>28,166</u>	<u>13,315</u>

**6. Auditor remuneration**

The Company's auditor's remuneration is borne by LS Development Holdings Limited. The proportion of the remuneration which relates to the Company amounts to £8,595 (2021: £400,000). No non-audit services were provided to the Company during the year (2021: £100,000 for the half-year review).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

7. Employees

Staff costs were as follows:

	2022 £'000	2021 £'000
Staff salaries	10,911	9,386
Social security costs	1,608	1,218
Employee share scheme	4,578	555
SAYE	686	-
Pension	564	746
Less capitalised costs (see below)	(2,028)	(2,301)
	<u>16,319</u>	<u>9,604</u>

The Group has capitalised certain internal staff costs directly attributable to development schemes. Staff costs capitalised are estimated with reference to the time spent on each project during the year.

The average monthly number of employees, including the Directors, during the year was as follows:

	2022 No.	2021 No.
Employees	<u>73</u>	<u>114</u>

Compensation of key management personnel of the Group:

	2022 £'000	2021 £'000
Salaries	2,572	1,274
Benefits	513	62
LTIP	976	-
Pension	45	163
	<u>4,106</u>	<u>1,499</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

7. Employees (continued)

The highest paid director's remuneration was as follows:

	2022 £'000	2021 £'000
Salaries	218	352
Benefits	117	20
LTIP	461	-
Pension	4	58
	<u>800</u>	<u>430</u>

8. Loss on disposal of development and investment projects

	2022 £'000	2021 £'000
Abortive costs	886	8,980
	<u>886</u>	<u>8,980</u>

Early-stage development and investment projects are carried at the lower of cost and fair value less costs to sell. Cost includes directly attributable expenditure. The Company has capitalised certain internal staff costs directly attributable to the development schemes. Staff costs capitalised are estimated with reference to the time spent on the project during the period. Where the Director considers that the costs are not recoverable from the sale or development of the asset, the project or site is written down to its net realisable value, with the write down taken to the income statement. Fair value less costs to sell is calculated as the estimated value of the project or site, based upon our current plans, less all further costs to be incurred in making the sale.

9. Income from investments

	2022 £'000	2021 £'000
Income/(loss) from participating interests and group companies	(41,494)	52,450
	<u>(41,494)</u>	<u>52,450</u>

Within the year, all dividends declared in the prior year were cancelled, causing a charge of £52,450,000. The Company received two dividends from its subsidiaries totalling £10,956,000 (2021: £52,450,000).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**10. Interest receivable**

	2022 £'000	2021 £'000
Other interest receivable	82	(141)
	<u>82</u>	<u>(141)</u>

**11. Interest payable and similar expenses**

	2022 £'000	2021 £'000
Interest payable	2,415	3,443
	<u>2,415</u>	<u>3,443</u>

**12. Taxation**

	2022 £'000	2021 £'000
<b>Corporation tax</b>		
Adjustments in respect of previous periods	989	(3)
	<u>989</u>	<u>(3)</u>
	<u>989</u>	<u>(3)</u>
<b>Total current tax</b>	<u>989</u>	<u>(3)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	341	128
Changes to tax rates	-	(1,176)
	<u>341</u>	<u>(1,048)</u>
<b>Total deferred tax</b>	<u>341</u>	<u>(1,048)</u>
	<u>1,330</u>	<u>(1,051)</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>1,330</u>	<u>(1,051)</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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

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

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Loss on ordinary activities before tax	<u>(101,492)</u>	<u>(63,655)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	<b>(19,283)</b>	(12,094)
<b>Effects of:</b>		
(Profit)/loss on sale of investment properties	<b>510</b>	-
Other expenses not deductible	<b>900</b>	3,172
Write off investment/profit/loss on investments	<b>705</b>	5,865
Write off/ provide against interco balances	<b>267</b>	11,315
Non qualifying depreciation	<b>493</b>	96
Group relief surrendered	<b>1,047</b>	-
S171A election for gains	<b>-</b>	(701)
Other temporary differences	<b>280</b>	-
Losses not provided for	<b>8,188</b>	1,262
Non-taxable income	<b>7,884</b>	(9,966)
Losses previously unprovided now provided	<b>339</b>	-
<b>Total tax charge for the year</b>	<u><b>1,330</b></u>	<u>(1,051)</u>

**Factors that may affect future tax charges**

The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate to from 19% to 25% with effect from 1 April 2023. Any deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

13. Tangible fixed assets

	Motor vehicles	Fixtures and fittings	Total
	£'000	£'000	£'000
<b>Cost or valuation</b>			
At 1 April 2021	71	7,518	7,589
Additions	-	91	91
Disposals	(36)	(4,994)	(5,030)
At 31 March 2022	35	2,615	2,650
<b>Depreciation</b>			
At 1 April 2021	56	4,444	4,500
Charge for the year on owned assets	2	1,023	1,025
Disposals	(23)	(3,248)	(3,271)
At 31 March 2022	35	2,219	2,254
<b>Net book value</b>			
At 31 March 2022	-	396	396
At 31 March 2021	15	3,074	3,089

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

14. Fixed asset investments

	Investments in subsidiary companies £'0000
<b>Cost or valuation</b>	
At 1 April 2021	122,215
Additions	3,873
Amounts written off	(3,493)
At 31 March 2022	122,595
<b>Impairment</b>	
Charge for the period	219
At 31 March 2022	219
<b>Net book value</b>	
At 31 March 2022	122,376
At 31 March 2021	122,215

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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Within the year, DS Jersey (No.4) Limited and DS Jersey (Noble) Ltd were struck off. The carrying value of both investments prior to write off was £2,993,000 and £500,000 respectively.

Investments in subsidiaries are assessed annually to determine if there is any indication that the investment might be impaired. In light of the Company's financial performance for the year ended 31 March 2022, the Company has made an impairment provision of £219,000 (2021: £25,319,000) against investments in subsidiaries.

The recoverable amount is estimated on an entity-by-entity basis, considering the operation of the business and the expected future recovery of property assets.

The Company sold its investment in U and I IPB Ltd to U and I Investment Portfolio Limited. The carrying value of the investment was £1 and the consideration paid was for 3,287,000 new ordinary shares of £1 in U and I Investment Portfolio Limited.

The Company also invested in a further £500,000 of preference shares in Plus X Holdings Ltd and earned interest on those preferred shares of £84,000.

All entities included below are registered in the UK at 100 Victoria Street, London, SW1E 5JL, except for entities with a footnote indicating their country of registration and address. Where the Group share of ordinary share capital is 100%, these entities are subsidiaries of the Company. Unless stated, the share capital held is 100%. Where the share of ordinary share capital is between 50% and 100%, these entities are joint venture interests. All other holdings are associate interests.

Barrack Close Limited

Beyond Green Developments (Broadland) Limited

Birmingham International Park Limited

BLEL Limited

BLIL Limited

Bruform Limited

Burghfield Bolt Limited

Burlington House Developments Limited (5)

Cathedral (Brighton) Limited

Cathedral (Bromley 2) Limited

Cathedral (Bromley Esco) Limited

Cathedral (Bromley) Limited

Cathedral (Greenwich Beach) Limited

Cathedral (Movement Greenwich) LLP - 52.5%

Cathedral (Preston Barracks) Limited

Cathedral (Sittingbourne) Limited

Cathedral Special Projects (H) Limited

CDSR Burlington House Developments Limited (5) - 20%

Central Research Laboratory (Hayes) Ltd - 50%

Circus Street Developments Limited - 50%

Curzon Park Limited - 50%

Deadhare Limited - 100%

Development Securities (Armagh) Limited

Development Securities (Curzon Park) Limited

Development Securities (Edgware Road No.1) Limited - 100%

Development Securities (Furlong) Limited

Development Securities (Greenwich) Limited

Development Securities (Hammersmith) Limited

Development Securities (HDD) Limited

Development Securities (Ilford) Limited

Development Securities (Investment Ventures) Limited

Development Securities (Investments) PLC

Development Securities (Launceston) Limited

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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Schofield Centre Limited - 50%

Spirit of Sittingbourne LLP - 65%

STRD Holding Company Limited (6)

Tarmac Clayform Limited - 50%

Tarmac Guildford Limited - 50%

The Deptford Project 2 Limited

The Deptford Project Limited

The Telegraph Works Limited

TLD (Landmark Court) Limited - 99%

Triangle Developments Limited

Triangle London Developments LLP - 50%

Triangle London Limited

U and I (8AE) Limited

U and I (Ashford) Limited

U and I (Bromley Commercial) Limited

U and I (Cambridge) Limited

U and I (Development and Trading) Limited

U and I (Golf) Limited

U and I (GVP) Limited

U and I (Harwell) Limited

U and I (Innovation Hubs) Limited

U and I (PB) Commercial Limited

U and I (Pincents Lane) Limited

U and I (White Heather) Limited (5)

U and I (WIE) Limited

U and I (Broombridge) Ind Limited (5)

U and I Exit Limited

U and I Finance PLC

U and I Investment Portfolio Limited

U and I IPA Limited

U and I IPA SC Limited

U and I IPB Limited

U and I IPC Limited

U and I (Management) Ireland Limited (5)

U and I Netherlands BV (8)

U and I Plus X TC Limited

U and I Powerhouse Limited

U and I PPP Limited

U and I Retail Limited (6)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

White Lion Walk Limited 50%

YC Shepherds Bush Limited (1) - 25%

YC Shepherds Bush (Market) Limited (1) - 25%

Unit Trusts

DS Cardiff Unit Trust (6) 100%

Nailsea Unit Trust (6)

Limited by guarantee

399 Edgware Road Management Company Limited

Connaught Place (Hale Barns) Management Company Limited

Preston Barracks Management Company Limited

1. 2 Bentinck Street, London, W1U 2FA, UK.

2. C/O Ashby Capital, 1 St Vincent Street, London, W1U 4DA, UK.

3. C/O James Cowper Kreston The White Building, 1-4 Cumberland Place,  
Southampton, SO15 2NP, UK.

4. C/O Opus Restructuring Llp 4th Floor Euston House, 24 Eversholt Street, London,  
NW1 1DB, UK.

5. C/O William Fry, 2 Grand Canal Square, Dublin 2, D02 A342, Ireland.

6. Fifth Floor, 37 Esplanade, St. Helier, JE1 2TR, Jersey.

7. PO Box 990, 1000AZ, Amsterdam, Netherlands.

8. Prins Bernhardplein 200, 1097 JB Amsterdam, PO Box 990, 1000 AZ Amsterdam,  
Netherlands.

9. 7, rue Robert Stümper, L-2557, Luxembourg

**15. Loss on disposal of development and investment projects**

Within loss on disposal of developments and investment projects are £4,628,359 (2021: £7,869,000) of  
aborted costs, relating to early stage projects that were not deemed viable to continue.

**16. Debtors - loans and receivables**

	2022 £'000	2021 £'000
<b>Greater than one year</b>		
Development loans	150	250
Other receivables	-	101

PropTech investment

1,196	1,196
<u>1,346</u>	<u>1,547</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £'000	2021 £'000
<b>Amounts falling due within one year</b>		
Loans and receivables	4,436	4,645
Loans notes receivable	2,000	3,800
	<u>6,436</u>	<u>8,445</u>

Funding of £150,000 (2021: £250,000) has been provided to Henry Davidson Developments Limited in respect of one development project.

The Group holds loan notes with a carrying value of £9,100,000 (2021: £9,100,000), issued by Northpoint Developments Limited, with a fixed coupon rate of 4.25%. These loan notes are repayable on a rolling one-year basis. As at 31 March 2022, the Group has made a provision of £2,404,000 (2021: £2,050,000) against interest receivable in respect of these loan notes. The Group has made a further £7,100,000 (2021: £5,300,000) provision against the principal amount of the loan notes due from Northpoint Developments Limited.

Loans and receivables include a number of working capital and project-specific loans of £4,436,000 (2021: £4,645,000) to Northpoint Developments Limited. The loans attract fixed coupon rates of between 5.0% and 13.0%.

Included in the above amount are two interest-free loans of £408,000 (2021: £408,000). As at 31 March 2022, the Company has made a provision of £2,961,000 (2021: £2,589,000) against interest receivable in respect of these loans.

17. Debtors

	2022 £'000	2021 £'000
Trade debtors	-	72
Amounts owed by group undertakings	203,305	294,489
Other debtors	8,643	15,734
Prepayments and accrued income	1,716	1,863
Corporation tax recoverable	-	670
	<u>213,664</u>	<u>312,828</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

During the year, £1,410,000 (2021: £59,552,000) was provided against amounts owed by subsidiary undertakings. Amounts owed by subsidiary undertakings are unsecured, interest free and repayable on demand.

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18. Creditors: Amounts falling due within one year

	2022 £'000	2021 £'000
Bank overdrafts	17	17
Bank loans	-	3,262
Amounts owed to group companies	233,060	233,196
Corporation tax	319	-
Other taxation and social security	-	1,009
Other creditors	653	213
Accruals and deferred income	7,917	4,843
	<u>241,966</u>	<u>242,540</u>

Amounts owed to subsidiary undertakings are unsecured, interest free and repayable on demand.

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

	2022 £'000	2021 £'000
Bank loans	29,620	49,796
	<u>29,620</u>	<u>49,796</u>

The bank loan above is a €35,250,000 variable, unsecured EURIBOR loan notes. A repayment of €11,750,000 was made in April 2021. These unsecured, Euro-denominated loan notes are repayable on 24 April 2024.

20. Deferred taxation

	2022 £'000	2021 £'000
At beginning of year	1,739	1,797
Charged to profit or loss	(341)	(58)
At end of year	<u>1,398</u>	<u>1,739</u>

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20. Deferred taxation (continued)

The deferred tax balance is made up as follows:

	2022 £'000	2021 £'000
Accelerated capital allowances	(61)	(58)
Tax losses carried forward	1,459	1,797
	<u>1,398</u>	<u>1,739</u>

21. Provisions for liabilities

	Provisions for liabilities £'000
At 1 April 2021	136
Charged to profit or loss	(136)
<b>At 31 March 2022</b>	<u>-</u>

The provision of £136,000 relating to an onerous lease obligation entered into in 2009 has been reversed in the current year as it is no longer required.

22. Share capital

	2022 £'000	2021 £'000
<b>Allotted, called up and fully paid</b>		
127,176,898 (2021 - 125,431,713) Ordinary shares shares of £1.00 each	<u>63,588</u>	<u>62,716</u>

The Company has one class of Ordinary shares which carry no right to fixed income.

The Company acquired Treasury shares in order to satisfy obligations under the employee Long-Term Incentive Plan and other bonus schemes. On 15 December 2021, 1,744,185 shares were awarded in bonuses to members of the Senior Management Team and to permanent employees. Such shares were then utilised to satisfy any outstanding Long-Term Incentive Plan or SAYE obligations prior to takeover.

There are no longer any Long-Term Incentive Plan or SAYE obligations outstanding as at 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS  
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**23. Controlling party**

The immediate parent company is LS Development Holdings Limited.

On 14 December 2021, LS Development Holdings Limited acquired 100% of the share capital in U and I Group Limited (formerly U and I Group PLC). With effect from this date and as at 31 March 2022, the ultimate parent company and controlling party of U and I Group Limited was Land Securities Group PLC.

The Company subsequently delisted from the London Stock Exchange's Main Market on 15 December 2021.

This is the largest parent company of the Group to consolidate these financial statements. Consolidated financial statements for the year ended 31 March 2022 for Land Securities Group PLC can be obtained from the Company Secretary, at the registered office of the ultimate parent company, 100 Victoria Street, London, SW1E 5JL and from the Group website at [www.landsec.com](http://www.landsec.com). This is the largest and smallest Group to include these accounts in its consolidated financial statements.

All companies are incorporated in Great Britain and registered in England and Wales.

**24. Post balance sheet events**

Since March 2022, the Company has increased its interest in DS Renewables LLP to 99.99% with the remaining 0.01% owned by Land Securities SPV's Limited.

Since March 2022, the Company has increased its interest in the below Companies to 100%:

Griffe Grange Wind Farm Limited

Hendy Wind Farm Limited

Rhoscrowther Wind Farm Limited

Since March 2022, the Company disposed of its interest in the below companies. Where the share of ordinary share capital was between 50% and 100%, these entities were joint venture interests.

	Interest held	Date of disposal
Glowrace Limited	63%	1/4/2022
UAIH Yorkshire Limited	50%	7/4/2022
Extreme Cool Limited	50%	28/7/2022
DSP Tirol Limited	50%	28/7/2022
Development Securities (No 18) Limited	100%	31/1/2023

Since March 22, the below joint venture interests became dissolved:



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	Interest held
DSP Investments Piano BV	33%
UAIP Drum Holdco BV	20%
UAIP Drum BV	20%

Since March 2022, the Company acquired 100% interest in the below companies:

	Date of aquisition	Consideration
U and I Director 1 Limited	4/10/2022	£1
U and I Director 2 Limited	4/10/2022	£1
U and I Company Secretaries Limited	4/10/2022	£1

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.