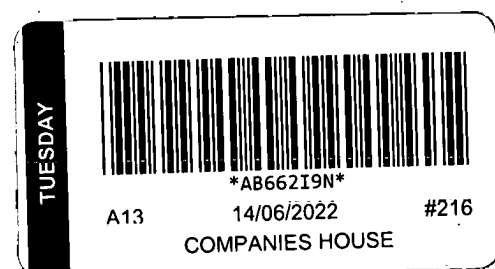


Registered number: 02850465

**U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN
AS U AND I (PROJECTS) LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

COMPANY INFORMATION

Directors	J G Christmas (appointed 27 May 2021, resigned 31 March 2022) M J Hood (appointed 17 June 2021) M S Weiner (resigned 31 May 2021) M O Shepherd (resigned 19 June 2021) R Upton (resigned 30 April 2022) G M Richardson Stewart Whittle (appointed 17 March 2020, resigned 26 June 2020)
Company secretary	LS Company Secretaries Limited
Registered number	02850465
Registered office	7a Howick Place London SW1P 1DZ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

**U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS)
LIMITED)**

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U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Business review, principal activities and future developments

The company's principal activity during the period and for the foreseeable future is that of a property development and investment holding company for a group of companies engaged in property development and trading.

The profit for the year ended 31 March 2021, after taxation, amounted to £12,262,964 (year ended 31 March 2020 (Restated): £11,893,207).

The Directors do not recommend the payment of a dividend (year ended 31 March 2020: Nil).

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. As at 31 March 2021, the company was a member of the U and I Group Limited (formerly U and I Group PLC) group of companies. Further discussion of the risks and uncertainties, in the context of the group as a whole, is provided in U and I Group's 2021 annual report which does not form part of this report.

Financial key performance indicators (KPIs)

As at 31 March 2021, the Directors of U and I Group Limited (formerly U and I Group PLC) 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 group's annual report which does not form part of this report.

This report was approved by the board on 8 June 2022 and signed by its order.


Mark Richardson (Jun 8, 2022 16:31 GMT+1)

G M Richardson
Director

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The Directors present their report and the audited financial statements for the year ended 31 March 2021.

Results and dividends

The loss for the year, after taxation, amounted to £12,262,964 (year ended 31 March 2020 (Restated): profit £11,893,207).

The Directors do not recommend the payment of a dividend (year ended 31 March 2020: Nil).

Details of the business review and future developments of the company are discussed in the Strategic report on page 1.

Directors

The Directors who served during the year and up to the date of signing these financial statements were:

J G Christmas (appointed 27 May 2021, resigned 31 March 2022)
M S Weiner (resigned 31 May 2021)
M O Shepherd (resigned 19 June 2021)
R Upton (resigned 30 April 2022)
G M Richardson
Stewart Whittle (appointed 17 March 2020, resigned 26 June 2020)

Qualifying third party indemnity provisions

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.

Going concern

The Directors are satisfied that, at the time of approving the financial statements, there is a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next 12 months. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

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.

Post balance sheet events

On 14 December 2021, LS Development Holdings Limited, a newly formed wholly-owned indirect subsidiary of Land Securities Group PLC, acquired 100% of the share capital of U and I Group Limited (formerly U and I Group PLC) for a cash consideration of £187 million. U and I Group Limited (formerly U and I Group PLC) delisted from the London Stock Exchange on 15 December 2021.

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will resign as auditors of the company following the signing of these financial statements and a resolution will be proposed to appoint new auditors in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 8 June 2022 and signed on its behalf.

Mark Richardson
Mark Richardson (Jun 8, 2022 16:31 GMT+1)

**G M Richardson
Director**

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

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

Company law requires the Directors to prepare audited financial statements for each financial year. Under that law the Directors have elected to prepare the audited 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 audited 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 audited 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.

Independent auditors' report to the members of U and I (Development and Trading) Limited (formerly known as U and I (Projects) Limited)

Report on the audit of the financial statements

Opinion

In our opinion, U and I (Development and Trading) Limited (formerly known as U and I (Projects) Limited)'s financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2021; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 for a period of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' 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 year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of financial data or intentional bias in estimation with respect to the valuation of stock and to the valuation of investments. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding of management's internal controls designed to prevent and detect irregularities;
- Reviewing the Company's litigation register in so far as it related to non-compliance with laws and regulations and fraud;
- Reviewing relevant meeting minutes;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- Challenging assumptions and judgements made by management in their significant areas of estimation; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, posted with unusual words, posted by unexpected users and posted on unexpected days.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

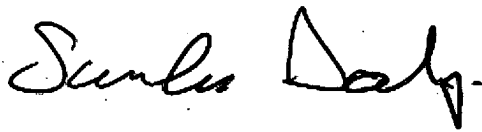
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
8 June 2022

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Turnover	3	9,922,964	3,702,885
Cost of sales		(5,119,538)	(2,588,492)
Gross profit		4,803,426	1,114,393
Administrative expenses		(3,199,699)	(3,492,466)
Impairment of stock	10	(1,000,000)	(9,603,347)
Provisions against intercompany loans and balances	11	(17,383,598)	-
Operating loss		(16,779,871)	(11,981,420)
Gain on disposal of investments	9	88,490	25,836,912
Income from fixed assets investments	6	2,192,908	205,775
Interest receivable and similar income	7	43,502	40,509
(Loss)/profit before tax		(14,454,971)	14,101,776
Tax on (loss)/profit	8	2,192,007	(2,208,569)
(Loss)/profit for the financial year		(12,262,964)	11,893,207

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)
REGISTERED NUMBER: 02850465

**BALANCE SHEET
AS AT 31 MARCH 2021**

	Note	2021 £	2020 Restated £
Fixed assets			
Investments	9	2,997,824	2,997,869
		<u>2,997,824</u>	<u>2,997,869</u>
Current assets			
Stocks	10	14,634,007	17,809,772
Debtors: amounts falling due after more than one year	11	11,261,250	10,500,000
Debtors: amounts falling due within one year	11	25,772,480	66,484,456
Cash at bank and in hand		80	11,851
		<u>51,667,817</u>	<u>94,806,079</u>
Creditors: amounts falling due within one year	12	(20,241,606)	(48,578,076)
Net current assets		<u>31,426,211</u>	<u>46,228,003</u>
Total assets less current liabilities		<u>34,424,035</u>	<u>49,225,872</u>
Provisions for liabilities			
Deferred tax	13	-	(2,538,875)
			<u>(2,538,875)</u>
Net assets		<u>34,424,035</u>	<u>46,686,997</u>
Capital and reserves			
Called up share capital	14	2,000,002	2,000,000
Retained earnings		32,424,033	44,686,997
Total Equity		<u>34,424,035</u>	<u>46,686,997</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 June 2022.

Mark Richardson
Mark Richardson (Jun 8, 2022 16:31 GMT+1)

G M Richardson
Director

The notes on pages 12 to 26 form part of these financial statements.

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	As restated Retained earnings £	Total equity £
At 1 April 2019	2,000,000	33,101,215	35,101,215
Comprehensive income for the year			
Profit for the year (restated)	-	11,893,207	11,893,207
Distribution (restated)	-	(307,425)	(307,425)
Total comprehensive income for the year	-	11,585,782	11,585,782
At 1 April 2020 (restated)	2,000,000	44,686,997	46,686,997
Comprehensive income for the year			
Loss for the year	-	(12,262,964)	(12,262,964)
Total comprehensive income for the year	-	(12,262,964)	(12,262,964)
Shares issued during the year	2	-	2
At 31 March 2021	2,000,002	32,424,033	34,424,035

The notes on pages 12 to 26 form part of these financial statements.

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. Accounting policies

1.1 General information

The company's principal activity during the period and for the foreseeable future is that of a property development and investment holding company for a group of companies engaged in property development and trading.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 7A Howick Place, London, SW1P 1DZ.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies as modified by revaluation of investment property in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.3 Going concern

The Directors are satisfied that, at the time of approving the financial statements, there is a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next 12 months. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

1.4 Exemptions for qualifying entities under FRS 102

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company (as at 31 March 2021), U and I Group Limited (formerly U and I Group PLC), includes the company's cash flows in its own consolidated financial statements.

The financial statements contain information about U and I (Development and Trading) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent undertaking, as at 31 March 2021, U and I Group Limited (formerly U and I Group PLC).

This company discloses transactions with related parties which are not wholly owned within the U and I Group as at 31 March 2021. It does not disclose transactions with members of the U and I Group that are wholly owned.

1.5 Interest income

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

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. Accounting policies (continued)

1.6 Borrowing costs

Borrowing costs relating to direct expenditure on stock under development are capitalised. The interest capitalised is calculated using the rate of interest on the loan to fund the expenditure, over the period from commencement of the development work until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are completed. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted. Capitalised interest is written off to direct costs on disposal of stock.

1.7 Turnover

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. Sales of stock properties and investments 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. Full provision is made for all known or expected losses on completing a development once such losses are foreseen.

Rental income is recognised on a straight-line basis over the term of the lease. Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at inception of the lease, the Directors are reasonably certain that the tenant will exercise that option. Lease incentives are usually in the form of rent-free periods or capital contributions.

Sale of 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.

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. Accounting policies (continued)

1.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.9 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

1.10 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. Income from investments relates to dividends received from subsidiaries which are recognised when the right to receive payment is established.

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. Accounting policies (continued)

1.11 Stocks

Work in progress, comprising developments, are carried as stocks and stated at the lower of cost and fair value less costs to sell. Cost includes directly attributable expenditure and interest. 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 year. Where the Directors consider 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.

1.12 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to and from group undertakings.

Financial assets

Cash and cash equivalents – Cash comprises cash in hand. Cash equivalents comprise short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade debtors – Trade debtors are recognised at the original transaction value and subsequently measured at amortised cost. A provision for impairment is established where there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables concerned.

Financial liabilities

Trade creditors – Trade creditors are recognised and carried at the original transaction value and subsequently measured at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

The preparation of financial statements in accordance with FRS 102 requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the company's accounting policies. Not all of these accounting policies require management to make difficult, subjective or complex judgements or estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those 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.

Stocks

The company is required to estimate when there is sufficient objective evidence to require the impairment of stocks carrying value. Work in progress, comprising developments, are carried as stocks and stated at the lower of cost and fair value less costs to sell. Cost includes directly attributable expenditure and interest. The company has capitalised certain internal staff costs directly attributable to the development of schemes. Staff costs capitalised are estimated with reference to the time spent on the project during the year. Where the Directors consider 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 through cost of sales. 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.

Debtors

The company is required to judge when there is sufficient objective evidence to require the impairment of individual debtors. It does this on the basis of the age of the relevant receivables, external evidence of the credit status of the debtor entity and the nature of any disputed amounts. Trade debtors are recognised at the original transaction value and subsequently measured at amortised cost. A provision for impairment is established where there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables concerned. To measure the expected credit loss of trade debtors, the company has reviewed aged balances on an individual debtor basis. The company has based its assessment on previous bad debts, current trading conditions of the debtor and future expectations. As at 31 March 2021, the company considered the impact of the Covid-19 pandemic when assessing the impairment of debtors.

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.

Intercompany debtors

Intercompany debtors are assessed annually to determine if there is any indication that the debtor might be impaired based on the underlying assets of the counterparty and external evidence.

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. Turnover

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

	2021 £	2020 £
Rental income	-	200
Asset management fees	-	776,149
Miscellaneous income	-	260,000
Development and trading proceeds	4,596,998	1,880,000
Development management fees	5,325,966	786,536
	9,922,964	3,702,885

All turnover arose within the United Kingdom.

4. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Loss/(gain) on foreign exchange	(153,666)	130,652

The auditors remuneration for the statutory audit of the company of £4,000 (year ended 31 March 2020: £2,625) has been borne by U and I Group Limited (formerly U and I Group PLC), the ultimate parent company as at 31 March 2021.

5. Employees

The company has no employees other than the Directors (year ended 31 March 2020: none). Their remuneration, including pension costs, is not borne directly by the company but by U and I Group Limited (formerly U and I Group PLC). The entity has been recharged its share of overhead expenses, totalling £3,334,500 (year ended 31 March 2020: £3,306,776). This includes Directors' costs.

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6. Income from fixed asset investments

	2021 £	2020 £
Dividends received from subsidiaries	2,192,908	205,775
	<u>2,192,908</u>	<u>205,775</u>

7. Interest receivable and similar income

	2021 £	2020 £
Other interest receivable	43,502	40,509
	<u>43,502</u>	<u>40,509</u>

8. Taxation

	2021 £	2020 £
Corporation tax		
Current tax for the year	-	(347,780)
Adjustments in respect of previous periods	346,868	17,474
Total current tax	<u>346,868</u>	<u>(330,306)</u>
Deferred tax		
Current year (credit)/charge	(2,538,875)	2,538,875
Total deferred tax	<u>(2,538,875)</u>	<u>2,538,875</u>

Deferred tax asset not recognised on losses carried forward for the year ended 31 March 2021 was £854,600 (year ended 31 March 2020: £1,446,125).

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19.0% (2020 - 19.0%). The differences are explained below:

	2021 £	2020 £
Profit before tax	(14,454,971)	14,101,776
Profit before tax multiplied by standard rate of corporation tax in the UK of 19.0% (year ended 31 March 2020: 19.0%)	(2,746,444)	2,679,337
Effects of:		
Adjustment to tax charge in respect of prior periods	346,868	17,474
Provisions against intercompany loans and balances	3,302,884	-
Write off of investments	-	(4,505,395)
Other expenses not deductible	13,305	-
Non-taxable income	(416,653)	(39,097)
Capital gains on disposal	-	1,771,934
s171A gains to parent company	-	(1,771,934)
Share of partnership losses	(129,878)	-
Tax losses recognised	-	71,250
Losses not recognised	-	1,446,125
Other differences leading to an increase (decrease) in the tax charge	(23,214)	-
Current year deferred tax	(2,538,875)	2,538,875
Total tax charge/(credit) for the year	(2,192,007)	2,208,569

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. At the balance sheet date, the proposal to increase the rate to 25% had not been substantively enacted, substantive enactment occurred on 24 May 2021, therefore, its effects are not included in these financial statements.

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	2,997,869
Additions	7
Disposals	(52)
At 31 March 2021	<u>2,997,824</u>

During the year ended 31 March 2021 the company disposed its shareholding of 50 ordinary shares of £1 each in YC Shepherds Bush (Market) Limited. The proceeds were £50 however as part of the disposal, the company received an advisory fee of £2,500,000 from Yoo Capital.

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Investments (continued)

Subsidiary undertakings and joint ventures

The following were subsidiary undertakings of the company. The country of incorporation for all companies is England and the registered address of all UK subsidiaries is the same as that of U and I (Projects) Limited:

Name	Class of shares	Holding
Development Securities(Greenwich) Limited	Ordinary	100%
D S Property Developments Limited	Ordinary	100%
Development Securities (Curzon Park) Limited	Ordinary	100%
Birmingham International Park (2000) Limited	Ordinary	100%
Cambourne Business Park Limited	Ordinary	100%
Rivella Properties Bicester Limited	Ordinary	100%
Development Securities (Hammersmith) Limited	Ordinary	100%
U and I Ashford Limited	Ordinary	100%
Development Securities (Sevenoaks) Limited	Ordinary	100%
Development Securities (Maidstone) Limited	Ordinary	100%
Development Securities (Cannock) Limited	Ordinary	100%
Percy Place DS (Ireland) Limited	Ordinary	100%
K&E (SouthWoodham Ferrers)Limited	Ordinary	50%
Purplexed LLP	Ordinary	50%
UAIH (Yorkshire) Limited	Ordinary	50%
DS Jersey (Renewables) Ltd	Ordinary	100%
RHD Darmouth Ltd	Ordinary	100%
Beyond Green Developments (Broadland) Ltd	Ordinary	100%
Njord Wind Developments Ltd	Ordinary	100%
Cathedral (Greenwich Beach) Ltd	Ordinary	100%
U and I (WIE) Ltd	Ordinary	100%

Investments in subsidiaries, joint ventures and associates 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.

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Stock

	2021 £	2020 Restated £
At 1 April	17,809,772	19,432,097
Additions	2,120,056	10,756,143
Disposal	(4,586,998)	(2,525,000)
Write down	(1,000,000)	(10,137,456)
Staff costs capitalised (see note below)	291,177	283,988
	<u>14,634,007</u>	<u>17,809,772</u>

In the year ended 31 March 2021, the stock held in 399 Edgware Road was valued at £4,934,913, after disposal of £4,586,998.

The company capitalised certain internal staff costs directly attributable to the development schemes for the year ended 31 March 2021: £291,177 (year ended 31 March 2020: £283,988). Staff costs capitalised are estimated with reference to the time spent on each project during the period.

11. Debtors

	2021 £	2020 £
Due after more than one year		
Other debtors	11,261,250	10,500,000
	<u>11,261,250</u>	<u>10,500,000</u>
	2021 £	2020 £
Due within one year		
Trade debtors	829,913	1,148,514
Amounts owed by group undertakings	23,756,672	27,867,372
Amounts owed by joint ventures and associated undertakings	1,102,340	2,459,415
Other debtors	28,120	33,262,288
Corporation tax repayable	-	346,867
Accrued income	55,435	1,400,000
	<u>25,772,480</u>	<u>66,484,456</u>

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. Debtors (continued)

Other debtors balance due after more than one year as at 31 March 2021 include £10,500,000 of Harwell disposal balances due after more than one year, and accrued income to be received after more than one year.

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

The amounts owed by joint ventures and associated undertakings are interest free, unsecured and repayable on demand.

12. Creditors: Amounts falling due within one year

	2021 £	2020 Restated £
Trade creditors	81,668	583,518
Amounts owed to group undertakings	15,327,327	40,987,140
Other taxation and social security	-	22,918
Other creditors	654,058	1,265,633
Accruals and deferred income	4,178,553	5,634,678
Financial instruments	-	84,189
	20,241,606	48,578,076

The amounts owed to group undertakings are interest free, unsecured and repayable on demand.

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

13. Deferred taxation

The deferred taxation balance is made up as follows:

	2021	2020
	£	£
At 1 April	(2,538,875)	-
Tax credit/(charge) for the year	2,538,875	(2,538,875)
	<u>-</u>	<u>(2,538,875)</u>

14. Called up share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
2,000,002 (31 March 2020: 2,000,000) Ordinary shares of £1.00 each	<u>2,000,002</u>	<u>2,000,000</u>

On 24 November 2020 2 £1 Ordinary shares were issued at par and fully paid.

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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15. Financial and non-financial risks

The Company's exposure to different types of risk is limited by the nature of its business as follows:

Market risk

The Company's exposure to market risk takes the form of property valuations, which have a direct impact on the value of investments. The management of this risk falls within the responsibility of the Directors, who make and manage investments on behalf of the Company.

Credit risk

The Company does not have a significant exposure to credit risk as receivables are mainly short-term trading items. The company's investments are managed by property agents who have responsibility for the prompt collection of amounts due. The company manages this risk of tenant default by ensuring that a dedicated credit control team is engaged in collecting the advance quarterly rent from tenants as soon as it falls due.

Liquidity risk

The company does not have a significant exposure to liquidity risk. Liquidity risk is managed by ensuring that there is always sufficient headroom available to meet the working capital requirements of the business.

Cash at bank and in hand is held with a financial institution with good credit ratings.

The Directors monitor the maturity of the company's obligations as and when they fall due. The maturity analysis of the company's financial assets and liabilities as at 31 March 2020 as follows:

Financial assets as at 31 March 2021

	On demand £	Less than 3 months £	3 to 12 months £	1 to 5 years £	More than 5 years £	Total £
Cash at bank and in hand	80	-	-	-	-	80
Debtors	-	-	25,772,480	11,261,250	-	37,033,730
	<u>80</u>	<u>-</u>	<u>25,772,480</u>	<u>11,261,250</u>	<u>-</u>	<u>37,033,810</u>

Financial liabilities as at 31 March 2021

	On demand £	Less than 3 months £	3 to 12 months £	1 to 5 years £	More than 5 years £	Total £
Creditors	-	-	(20,241,606)	-	-	(20,241,606)
	<u>-</u>	<u>-</u>	<u>(20,241,606)</u>	<u>-</u>	<u>-</u>	<u>(20,241,606)</u>

U AND I (DEVELOPMENT AND TRADING) LIMITED (FORMERLY KNOWN AS U AND I (PROJECTS) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Post balance sheet events

On 14 December 2021, LS Development Holdings Limited, a newly formed wholly-owned indirect subsidiary of Land Securities Group PLC, acquired 100% of the share capital of U and I Group Limited (formerly U and I Group PLC) for a cash consideration of £187 million. U and I Group Limited (formerly U and I Group PLC) delisted from the London Stock Exchange on 15 December 2021.

17. Controlling party

The immediate parent company is U and I Group Limited (formerly U and I Group PLC). As at 31 March 2021, the ultimate parent and controlling company of the largest and the smallest group of which U and I (Development & Trading) Limited is a member and for which consolidated financial statements are produced was U and I Group Limited (formerly U and I Group PLC).

Copies of the 31 March 2021 annual report and financial statements of U and I Group can be obtained from 7A Howick Place, London, SW1P 1DZ.

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, the ultimate parent and controlling company of U and I (Development & Trading) Limited is Land Securities Group PLC.

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

18. Prior year restatement

During the year ended 31 March 2021, a prior period error was corrected to recognise the acquisition of Stock not previously recorded. The agreed transaction price was above the book value of the stock at the transaction date. As this was an inter-group company the Stock has been recognised at its book value, with the premium paid recognised as a Distribution. This has resulted in an increase in Stocks classified as Current assets, Creditors falling due within one year and a decrease in Retained earnings

	Stocks	Creditors	Retained earnings
	£	£	£
As at 1 April 2020	14,989,197	(45,450,076)	-
Restatement	2,820,575	(3,128,000)	(307,425)
As at 1 April 2020 (Restated)	17,809,772	(48,578,076)	(307,425)