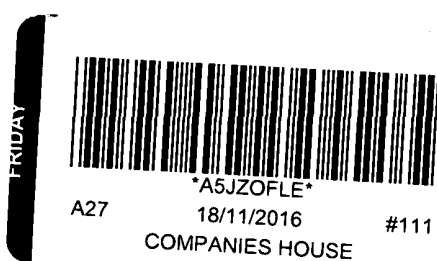


Registered number: 06287510

HDD BRIDGWATER LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2016



HDD BRIDGWATER LIMITED

COMPANY INFORMATION

Directors	B D Cassels M S Weiner
Company secretary	C J Barton
Registered number	06287510
Registered office	7A Howick Place London SW1P 1DZ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

HDD BRIDGWATER LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditors' report	5 - 6
Income statement	7
Statement of financial position	8
Statement of changes in equity	9 - 10
Notes to the financial statements	11 - 18

HDD BRIDGWATER LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 29 FEBRUARY 2016**

Business review and future developments

The principal activity of the company during the year and for the foreseeable future is property development. The directors do not foresee any change in the future activities of the company.

The loss for the financial year amounted to £938 (2015 - loss £24,775).

The directors are unable to recommend the payment of a dividend for the period ended 29 February 2016 (2015 - £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. The company is a member of the 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 the group's annual report which does not form part of this report.

Financial key performance indicators

The directors of 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 are discussed in the group's annual report which does not form part of this report.

This report was approved by the board on 15 November 2016 and signed on its behalf.



C J Barton
Company secretary

HDD BRIDGWATER LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 29 FEBRUARY 2016**

The directors present their report and the audited financial statements for the year ended 29 February 2016.

Results and dividends

The loss for the financial year amounted to £938 (2015 - loss £24,775).

The directors do not recommend the payment of a dividend for the year ended 29 February 2016 (2015 - £NIL).

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

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

B D Cassels
M S Weiner

Qualifying third party indemnity provisions

The company maintains directors' and officers' liability insurance, which is reviewed annually and is considered to be adequately insured. Such qualifying third party indemnity provisions remain in place at the date of approving the directors' report.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company U and I Group PLC. The directors have received confirmation that for the foreseeable future, U and I Group PLC intends to support the company such that it can meet its liabilities as they fall due.

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 that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that 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.

HDD BRIDGWATER LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2016**

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 15 November 2016 and signed on its behalf.



C J Barton
Company secretary

HDD BRIDGWATER LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 29 FEBRUARY 2016**

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 financial statements and then apply them consistently;
- make judgments 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; and
- 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 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 HDD Bridgwater Limited

Report on the financial statements

Our opinion

In our opinion, HDD Bridgwater Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 29 February 2016 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.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 29 February 2016;
- the Income Statement for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Diane Walmsley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

15 November 2016

HDD BRIDGWATER LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2016

	Note	2016 £	2015 £
Turnover	4	-	400,000
Cost of sales		<u>(1,014)</u>	<u>(424,775)</u>
Gross loss		(1,014)	(24,775)
Interest receivable and similar income	7	<u>76</u>	<u>-</u>
Loss before tax		(938)	(24,775)
Tax on loss on ordinary activities	8	<u>-</u>	<u>-</u>
Loss for the year		<u>(938)</u>	<u>(24,775)</u>

There was no other comprehensive income for 2016 (2015:£NIL).

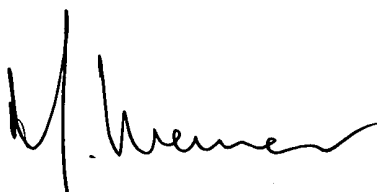
The notes on pages 11 to 18 form part of these financial statements.

HDD BRIDGWATER LIMITED
REGISTERED NUMBER: 06287510

STATEMENT OF FINANCIAL POSITION
AS AT 29 FEBRUARY 2016

		29 February 2016	28 February 2015
	Note	£	£
Current assets			
Debtors	9	136,631	255,029
		<u>136,631</u>	<u>255,029</u>
Creditors: amounts falling due within one year	10	(440,053)	(557,513)
Net current liabilities		<u>(303,422)</u>	<u>(302,484)</u>
Total assets less current liabilities		<u>(303,422)</u>	<u>(302,484)</u>
Net liabilities		<u>(303,422)</u>	<u>(302,484)</u>
Capital and reserves			
Called up share capital	11	101	101
Retained earnings		<u>(303,523)</u>	<u>(302,585)</u>
Total equity		<u>(303,422)</u>	<u>(302,484)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 November 2016.



M S Weiner
Director

The notes on pages 11 to 18 form part of these financial statements.

HDD BRIDGWATER LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 FEBRUARY 2016**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 March 2015	101	(302,585)	(302,484)
Comprehensive expense for the year			
Loss for the financial year	-	(938)	(938)
Total comprehensive expense for the year	-	(938)	(938)
At 29 February 2016	101	(303,523)	(303,422)

HDD BRIDGWATER LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2015**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 March 2014	101	(277,810)	(277,709)
Comprehensive expense for the year			
Loss for the financial year	-	(24,775)	(24,775)
Total comprehensive expense for the year	-	(24,775)	(24,775)
At 28 February 2015	101	(302,585)	(302,484)

The notes on pages 11 to 18 form part of these financial statements.

HDD BRIDGWATER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

1. General information

HDD Bridgwater Limited is a property company.

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, SW1P 1DZ, London.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared under the historical costs convention in accordance with the Companies Act 2006, and in accordance with applicable United Kingdom law, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102").

The following principal accounting policies have been applied:

2.2 Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company U and I Group PLC. The directors have received confirmation that for the foreseeable future, U and I Group PLC intends to support the company such that it can meet its liabilities as they fall due.

2.3 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, U and I Group PLC, includes the company's cash flows in its own consolidated financial statements.

This company discloses transactions with related parties which are not wholly owned within the U and I Group PLC group. It does not disclose transactions with members of the U and I Group PLC group that are wholly owned.

HDD BRIDGWATER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

2. Accounting policies (continued)

2.4 Turnover

Turnover and profits are recognised as follows:

ii) Long term contracts

Turnover, which excludes value added tax, represents the value of work performed in the year including estimates of amounts not invoiced and adjustments relating to prior periods which have been agreed during the year. Profit is recognised by reference to the stage of completion once the outcome of a project can be determined with reasonable certainty. Full provision is made for all known or expected losses on a contract once such losses are foreseen.

ii) Land, developments and trading properties

The sale proceeds of trading property, undeveloped land and building units held as inventory and sold during the year are recognised as turnover when the risks and rewards of ownership have been transferred to the purchaser. Full provision is made for all known or expected losses on completing a development once such losses are foreseen.

2.5 Stocks

Work in progress, comprising developments, is carried as inventory and stated at the lower of cost and fair value less costs to sell. Cost includes directly attributable expenditure. No element of overhead is included in cost, since it is not practical to identify overhead amounts in respect of particular assets. Where directors consider that the costs are not recoverable from the proposed scheme, the project or site is written down to its net realisable value, with the write-down taken to the profit and loss account. Net realisable value is calculated as the estimated realisable value of the project or site, based upon our current plans, less all further costs to be incurred in making the sale.

HDD BRIDGWATER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

2. Accounting policies (continued)

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change 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 reporting 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.7 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

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 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.

HDD BRIDGWATER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

2. Accounting policies (continued)

2.8 Provisions

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the authority becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

3. 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.

Trade debtors

The company is required to judge when there is sufficient objective evidence to require the impairment of individual trade 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.

4. Turnover

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

	2016 £	2015 £
Proceeds from sale of land	-	400,000
	-	400,000

All turnover arose within the United Kingdom.

HDD BRIDGWATER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

5. Operating loss

The operating loss is stated after charging:

The auditors' remuneration of £3,500 (2015: £2,500) has been borne by U and I Group PLC, the ultimate parent company.

6. Employees

The company has no employees other than the directors (2015 - none). Their remuneration, including pension costs, is not borne directly by the Company but by Development Securities (HDD) Limited and U and I Group PLC.

7. Interest receivable and similar income

	2016 £	2015 £
Other interest receivable	76	-
	<u>76</u>	<u>-</u>

8. Taxation

There is no tax charge in the current year (2015: £nil).

HDD BRIDGWATER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

8. Taxation (continued)

Factors affecting tax charge for year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20.1% (2015 - 21.2%). The differences are explained below:

	2016	2015
	£	£
Loss on ordinary activities before taxation	(938)	(24,775)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.1% (2015 - 21.2%)	(189)	(5,252)
Effects of:		
Group relief surrendered for nil consideration	189	5,252
Total tax charge for the year	-	-

Factors that may affect future tax charges

The UK corporation tax rate was 20% from 1 April 2015 and this has been reflected in the accounts. Further changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As these changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

HDD BRIDGWATER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

9. Debtors

	29 February 2016 £	28 February 2015 £
Trade debtors	-	137,000
Other debtors	136,631	118,029
	<u>136,631</u>	<u>255,029</u>

10. Creditors: Amounts falling due within one year

	29 February 2016 £	28 February 2015 £
Amounts owed to group undertakings	438,873	557,513
Other creditors	1,180	-
	<u>440,053</u>	<u>557,513</u>

There is neither a set date nor terms for repayment of the unsecured amounts owed to the group undertakings and interest is not charged on this balance.

11. Called up share capital

	29 February 2016 £	28 February 2015 £
Shares classified as equity		
Allotted, called up and fully paid		
100 (2015: 100) Ordinary Class A shares of £1 each	100	100
1 (2015: 1) Ordinary Class B share of £1	1	1
	<u>101</u>	<u>101</u>

'A' class shares entitle the holder to one vote per share held, whilst 'B' class shares do not entitle voting rights. Both classes of share entitle the holder to the right to receive dividends as declared by the company. Upon winding up, the assets of the company available for distribution among the members shall be applied first in paying to the 'A' and 'B' shareholders a sum equal to the nominal amount of each share held by them and secondly the balance of such assets (if any) shall be distributed pro rata amongst shareholders holding 'A' shares based upon the number of 'A' shares held.

HDD BRIDGWATER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

12. Ultimate parent undertaking and controlling party

The ultimate parent and controlling company of the largest and smallest group of which the company is a member and for which consolidated financial statements are produced is U and I Group PLC.

The immediate parent company is Development Securities (HDD) Limited.

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

Copies of the annual report and financial statements of U and I Group PLC and Development Securities (HDD) Limited can be obtained from 7A Howick Place, London SW1P 1DZ.