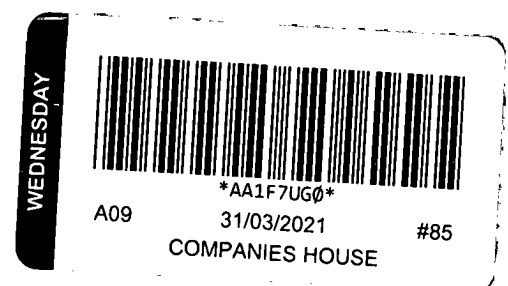


U AND I (INNOVATION HUBS) LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020**



U AND I (INNOVATION HUBS) LIMITED
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COMPANY INFORMATION

Directors	R Upton (appointed 18 September 2019) M S Weiner (appointed 18 September 2019) M O Shepherd (appointed 18 September 2019)
Company secretary	C J Barton
Registered number	12214178
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 (INNOVATION HUBS) LIMITED

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U AND I (INNOVATION HUBS) LIMITED

**STRATEGIC REPORT
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020**

Business review

The company was incorporated on 18 September 2019.

The principal activity of the company during the period and for the foreseeable future is that of property development and trading. The Directors continue to seek opportunities and therefore do not foresee any change in the future activities of the company.

The profit for the period ended 31 March 2020, after taxation, amounted to £278,166.

The Directors do not recommend the payment of a dividend for the 6 month period ended 31 March 2020.

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.

The outbreak of Covid-19, declared by the World Health Organization as a "Global Pandemic" on 11 March 2020, creates an unprecedented degree of uncertainty over both the severity of the risks and the effectiveness of mitigating actions. The decline in economic activity resulting from the pandemic reduces the degree of certainty around the valuation of investment properties at the period end. The valuations across all asset classes are therefore reported on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. The external valuers have confirmed, the inclusion of the "material valuation uncertainty" declaration does not mean that valuations cannot be relied upon and rather, the phrase is used in order to be clear and transparent with all parties. See further details in note 9 of the financial statements.

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

This report was approved by the board on 2 March 2021 and signed on its behalf.


Marcus Shepherd (Mar 2, 2021 12:19 GMT)

M O Shepherd
Director

U AND I (INNOVATION HUBS) LIMITED

**DIRECTORS' REPORT
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020**

The directors present their report and the financial statements for the 6 month period ended 31 March 2020.

The company was incorporated on 18 September 2020. The company registration number is 12214178.

Results and dividends

The profit for the period ended 31 March 2020, after taxation, amounted to £278,166.

The Directors do not recommend the payment of a dividend for the 6 month period ended 31 March 2020.

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 period and up to the date of signing these financial statements were:

R Upton (appointed 18 September 2019)

M S Weiner (appointed 18 September 2019)

M O Shepherd (appointed 18 September 2019)

Going concern

At 31 March 2020, the Company is in a net current liability position as a result of an intergroup loan due to Cathedral (Preston Barracks) Limited and U and I Group PLC (the "Parent Company") and relies on the support of its ultimate controlling parent ("U and I Group PLC"). 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.

In the U and I Group PLC financial statements for the year ended 31 March 2020 that were issued on 7 July 2020, U and I Group PLC's main corporate level debt consisted of €47 million of loan notes which were due to mature on 24 April 2021. The Group's forecast severe but plausible downside scenario highlighted that there was a risk that the Group would not have the level of free cash required to repay its loan notes when they fall due for repayment on 24 April 2021. The €47 million loan note facility was extended on 24 July 2020 and is now due for repayment on or before 25 April 2024.

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 were in place during the period and remain in place at the date of approving the Directors' report.

U AND I (INNOVATION HUBS) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020**

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.

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 2 March 2021 and signed on its behalf.


Marcus Shepherd (Mar 2, 2021 12:19 GMT)

M O Shepherd
Director

U AND I (INNOVATION HUBS) LIMITED
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**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020**

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 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 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;
- 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 (Innovation Hubs) Limited

Report on the audit of the financial statements

Opinion

In our opinion, U and I (Innovation Hubs) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the 6 month period (the "period") 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 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the six month period 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.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2.2 to the financial statements concerning the company's ability to continue as a going concern. The company is in a net current liability position as a result of an intergroup loan due to Cathedral (Preston Barracks) Limited and U and I Group PLC (the "Parent Company") and relies on the support of its ultimate controlling parent ("U and I Group PLC"). In the U and I Group PLC financial statements for the year ended 31 March 2020 that were issued on 7 July 2020 there were indicators of material uncertainty which may cast significant doubt on U and I Group PLC's ability to continue as a going concern. This in turn leads to uncertainty about U and I Group PLC's ability to support the company which indicates a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Emphasis of matter - COVID-19

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in notes 3 (Judgements in applying accounting policies and key sources of estimation uncertainty) and 8 (Investment property) to the financial statements. These notes explain that there is significant estimation uncertainty in relation to the valuation of investment properties of £17m included in the Balance sheet as at 31 March 2020. The third-party valuers engaged by management have included a material valuation uncertainty clause in their report. This clause highlights that less certainty, and consequently a higher degree of caution, should be attached to the valuation as a result of the COVID-19 pandemic.

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 or, 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 for the six month period ended 31 March 2020, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report for the six month period ended 31 March 2020

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 six month period ended 31 March 2020 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 for the six month period ended 31 March 2020.

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 set out on page 4, 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.

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 received 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.

A handwritten signature in black ink, appearing to read 'Sandra Dowling'.

Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
2 March 2021

U AND I (INNOVATION HUBS) LIMITED
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF U AND I (INNOVATION HUBS) LIMITED
(CONTINUED)**

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.

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

Use of our report

This report is made solely to the company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

7 More London Riverside
London
SE1 2RT

2 March 2021

U AND I (INNOVATION HUBS) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020**

	Note	6 month period ended 31 March 2020 £
Turnover	4	58,801
Gross profit		58,801
Administrative expenses		(3,912)
Gain on revaluation of investment property	8	223,277
Operating profit for the period	5	278,166
Tax on profit	7	-
Profit for the financial period		278,166

There were no recognised gains and losses for the 6 month period ended 31 March 2020 other than those included in the Statement of Comprehensive Income.

There was no other comprehensive income for the 6 month period ended 31 March 2020.

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


U AND I (INNOVATION HUBS) LIMITED
REGISTERED NUMBER: 12214178

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £
Fixed assets		
Investment property	7	16,973,236
		<u>16,973,236</u>
Current assets		
Debtors	8	477,921
Cash at bank and in hand		1,142
		<u>479,063</u>
Creditors: amounts falling due within one year	9	<u>(17,174,132)</u>
Net current liabilities		<u>(16,695,069)</u>
Total assets less current liabilities		<u>278,167</u>
Net assets		<u><u>278,167</u></u>
Capital and reserves		
Called up share capital		1
Retained earnings		278,166
Total equity		<u><u>278,167</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 March 2021.


 Marcus Shephard (Mar 2, 2021 12:19 GMT)

M O Shepherd
 Director

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

U AND I (INNOVATION HUBS) LIMITED
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**STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 18 September 2019	-	-	-
Comprehensive expense for the period			
Profit for the period	-	278,166	278,166
Total comprehensive income for the period	-	278,166	278,166
Ordinary shares of £1 issued during period	1	-	1
At 31 March 2020	1	278,166	278,167

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

U AND I (INNOVATION HUBS) LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020**

1. General information

U and I (Innovations Hubs) Limited is a property development 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, London, SW1P 1DZ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland 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 judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

At 31 March 2020, the Company is in a net current liability position as a result of an intergroup loan due to Cathedral (Preston Barracks) Limited and U and I Group PLC (the "Parent Company") and relies on the support of its ultimate controlling parent ("U and I Group PLC").

In the U and I Group PLC financial statements for the year ended 31 March 2020 that were issued on 7 July 2020 there were indications of material uncertainty which may cast significant doubt on U and I Group PLC's ability to continue as a going concern. This in turn leads to uncertainty about U and I Group PLC's ability to support the company which indicates a material uncertainty may exist which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes.

Turnover for the period comprises of rental income and other property related income. Rental income recognised on an accrued straight-line basis over the term of the lease when the income has been earned. 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.

U AND I (INNOVATION HUBS) LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.4 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, 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 PLC group that are wholly owned.

2.5 Taxation

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.

U AND I (INNOVATION HUBS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.6 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

Investment properties are measured initially at cost, including directly attributable transaction costs, and thereafter are stated at fair value. Subsequent expenditure is capitalised to the asset's carrying value when the future economic benefit associated with the expenditure will flow to the Company. All other costs are expensed when incurred.

Gains or losses on disposal of investment properties are calculated by reference to carrying value and recognised when the risks and rewards of ownership are considered to have passed to the purchaser, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all of the significant conditions are satisfied. Gains and losses are recognised within gains or losses on disposal of investment properties in the income statement.

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 accounts receivable and payable and loans to and from group undertakings.

Financial assets

Cash at bank and in hand – Cash comprises cash in hand and on-demand deposits less overdrafts. 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 Statement of financial position 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 (INNOVATION HUBS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020**

3. Judgments 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.

Investment property

Investment property is carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

The key source of estimation uncertainty relates to the valuation of the property portfolio where an external valuation is obtained. The third party valuers for properties recognised at 31 March 2020 include a material valuation uncertainty clause in their reports. The clause highlights significant estimation uncertainty regarding the valuation of investment property due to the Covid-19 pandemic. The valuations as at the current balance sheet date should therefore be treated with additional caution.

4. Turnover

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

	6 month period ended 31 March 2020 £
Rental income	58,801
	<hr/>
	58,801
	<hr/> <hr/>

All turnover arose within the United Kingdom.

U AND I (INNOVATION HUBS) LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020**

5. Operating profit

The operating profit is stated after charging:

The auditors remuneration for the statutory audit of the company of £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 for the period ended 31 March 2020. Directors remuneration, including pension costs, is not borne directly by the Company but by U and I Group PLC. The entity has been recharged its share of overhead expenses, totalling £2,623.

7. Taxation

There is no tax charge in the current period.

**6 month
period
ended 31
March 2020
£**

Deferred tax

-
=====

Taxation on profit on ordinary activities

-
=====

U AND I (INNOVATION HUBS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020**

7. Taxation (continued)

Factors affecting tax charge for the for the period

The tax assessed for the 6 month period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2020
	£
Profit before tax	278,166
	<hr/>
Profit before tax multiplied by standard rate of corporation tax in the UK of 19%	52,852
Effects of:	
Gain on revaluation of investment property	(42,423)
Group relief claimed for nil consideration	(10,429)
	<hr/>
Total tax charge for the period	-
	<hr/>

Factors that may affect future tax charges

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% was substantively enacted at the balance sheet date, its effects are included in these financial statements.

U AND I (INNOVATION HUBS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020

8. Investment property

	Freehold investment property £
Valuation	
Additions at cost	16,749,959
Surplus on revaluation	223,277
At 31 March 2020	16,973,236

The freehold investment properties has been valued at 31 March 2020 by CBRE Limited, Chartered Surveyors, on an open market value for existing use basis in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors.

All the remaining freehold and long leasehold properties have been valued by the Directors, derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

The outbreak of Covid-19, declared by the World Health Organization as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, the external valuers consider that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The current response to Covid-19 means that external valuers are faced with an unprecedented set of circumstances on which to base a judgment. The valuations across all asset classes are therefore reported on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty - and a higher degree of caution - should be attached to the valuations provided than would normally be the case. The external valuers have confirmed, the inclusion of the "material valuation uncertainty" declaration does not mean that valuations cannot be relied upon. Rather, the phrase is used in order to be clear and transparent with all parties, in a professional manner that - in the current extraordinary circumstances - less certainty can be attached to valuations than would otherwise be the case.

9. Debtors

	2020 £
Trade debtors	464,847
Tax recoverable	13,074
	477,921

U AND I (INNOVATION HUBS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020**

10. Creditors

	2020 £
Trade creditors	161
Amounts owed to group undertakings	17,148,857
Accruals and deferred income	25,114
	<u>17,174,132</u>

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

11. Controlling party

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

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 Public Private Partnership (H) Limited can be obtained from 7A Howick Place, London, SW1P 1DZ.