

Registered number: 12214178

U AND I (INNOVATION HUBS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021



U AND I (INNOVATION HUBS) LIMITED

COMPANY INFORMATION

Directors	R Upton M S Weiner (resigned 31 May 2021) M O Shepherd (resigned 19 June 2021) J G Christmas (appointed 27 May 2021) M J Hood (appointed 17 June 2021)
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 YEAR ENDED 31 MARCH 2021

Business review, principal activities and future developments

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

The loss for the year ended 31 March 2021, after taxation, amounted to £2,389,460 (6 month period ended 31 March 2020: profit of £278,166).

The Directors do not recommend the payment of a dividend for the year ended 31 March 2021 (6 month period ended 31 March 2021: £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.

During the year Covid-19 impacted all areas of our business and our principal risks. There were no changes to valuation methodology used during the year however some allowances were made for the increased risk associated with defaults and rent deferment plans agreed with tenants. Valuers have carried out their valuation assessments using RICS guidance on Covid-19.

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 Sep 17, 2021 and signed on its behalf.


Chris Barton (Sep 17, 2021 12:48 GMT+1)

C J Barton
Company secretary

U AND I (INNOVATION HUBS) LIMITED

DIRECTORS' REPORT YEAR ENDED 31 MARCH 2021

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

Results and dividends

The loss for the year, after taxation, amounted to £2,389,460 (2020 - profit £278,166).

The Directors do not recommend the payment of a dividend for the year ended 31 March 2021 (6 month period ended 31 March 2021: £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:

R Upton
M S Weiner (resigned 31 May 2021)
M O Shepherd (resigned 19 June 2021)
J G Christmas (appointed 27 May 2021)
M J Hood (appointed 17 June 2021)

Going concern

At 31 March 2021, the Company is in a net current liability and net liability position as a result of an intergroup loan due to Cathedral (Preston Barracks) Limited and U and I Group PLC 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 2021 that were issued on 25 May 2021, 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 the Parent Company's ability to support the Company. This 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 were unable to continue as a going concern.

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)
YEAR ENDED 31 MARCH 2021

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 Sep 17, 2021 and signed on its behalf.


Chris Barton (Sep 17, 2021 12:48 GMT+1)

C J Barton
Company secretary

U AND I (INNOVATION HUBS) LIMITED

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

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 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.

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 and net liability position as a result of intergroup loans due to Cathedral (Preston Barracks) Limited and U and I Group PLC 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 2021 that were issued on 25 May 2021 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. This condition, along with the other matters explained in note 2.2 to the financial statements, indicate the existence of 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 were unable to continue as a going concern.

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

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 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, 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 Investment Property. 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.

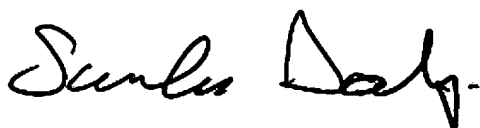
Other required reporting

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
17 September 2021

U AND I (INNOVATION HUBS) LIMITED

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

	Note	2021 £	6 month period 31 March 2020 £
Turnover	44	81,085	58,801
Cost of sales	5	(1,224,668)	-
Gross (loss)/profit		(1,143,583)	58,801
Administrative expenses		(40,217)	(3,912)
(Loss)/gain on revaluation of investment property	8	(1,205,664)	223,277
Operating (loss)/profit for the period	5	(2,389,464)	278,166
Interest receivable and similar income		4	-
(Loss)/profit before tax		(2,389,460)	278,166
Tax on (loss)/profit	7	-	-
(Loss)/profit for the financial period		(2,389,460)	278,166

There were no recognised gains and losses for the year ended 31 March 2021 (6 month period ended 31 March 2020: £Nil) other than those included in the Statement of Comprehensive Income.

There was no other comprehensive income for the year ended 31 March 2021 (6 month period ended 31 March 2020: £Nil).

The notes on pages 11 to 21 form part of these financial statements.


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

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Investment property	8	15,881,154	16,973,236
Debtors: amounts falling due after more than one year	9	773,929	403,797
		<u>16,655,083</u>	<u>17,377,033</u>
Current assets			
Debtors	9	606,383	74,124
Bank and cash balances		573	1,142
		<u>606,956</u>	<u>75,266</u>
Creditors: amounts falling due within one year	10	(19,373,332)	(17,174,132)
Net current liabilities		<u>(18,766,376)</u>	<u>(17,098,866)</u>
Total assets less current liabilities		<u>(2,111,293)</u>	<u>278,167</u>
Net (liabilities)/assets		<u><u>(2,111,293)</u></u>	<u><u>278,167</u></u>
Capital and reserves			
Called up share capital		1	1
Retained earnings		(2,111,294)	278,166
Total equity		<u><u>(2,111,293)</u></u>	<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
 Sep 17, 2021


 J G Christmas (Sep 17, 2021 11:49 GMT+1)

J G Christmas
 Director

The notes on pages 11 to 21 form part of these financial statements.

U AND I (INNOVATION HUBS) LIMITED

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

	Called up share capital £	Retained earnings £	Total equity £
Comprehensive income for the period			
Profit for the period	-	278,166	278,166
Total comprehensive income for the period	-	278,166	278,166
Shares issued during the period	1	-	1
Total transactions with owners	1	-	1
At 1 April 2020	1	278,166	278,167
Comprehensive expense for the year			
Loss for the year	-	(2,389,460)	(2,389,460)
Total comprehensive expense for the year	-	(2,389,460)	(2,389,460)
At 31 March 2021	1	(2,111,294)	(2,111,293)

The notes on pages 11 to 21 form part of these financial statements.

U AND I (INNOVATION HUBS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

1. General information

U and I (Innovations Hubs) Limited is an investment 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, 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 as modified by revaluation of investment properties and 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 judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Company is in a net current liability and net liability position as a result of an intergroup loan due to Cathedral (Preston Barracks) Limited and U and I Group PLC and relies on the support of its ultimate controlling parent ("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. The Directors have therefore prepared the financial statements on a going concern basis.

In the U and I Group PLC financial statements for the year ended 31 March 2021 that were issued on 25 May 2021 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 the existence of 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 were 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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

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 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.6 Taxation

Tax is recognised in the Statement of comprehensive income 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.

2.7 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 the Statement of comprehensive income.

U AND I (INNOVATION HUBS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.8 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. 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. The loss allowance for trade debtors provided as at 31 March 2021 is £28,275 (2020: £NIL).

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
YEAR ENDED 31 MARCH 2021

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 judgments. It also requires management to exercise judgment in the process of applying the company's accounting policies. Not all of these accounting policies require management to make difficult, subjective or complex judgments or estimates. Estimates and judgments 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, judgment or estimation involved in their application and their impact on the financial statements.

Trade debtors

The Company assesses, on a forward-looking basis, the expected credit losses associated with its trade debtors. The recoverability of the debtors will be reviewed at the reporting date and adjusted on a contract-by-contract basis as necessary. 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. The loss allowance for trade debtors provided as at 31 March 2021 is £28,275 (2020: £Nil).

Investment property

The investment portfolio is stated at fair value, which requires a number of judgements and estimates in assessing the qualities of the company's assets relative to market transactions. In addition, valuers have needed to assess the implications of Covid-19 on the values of property assets, estimating the impact of unit closures and the risk of tenant default. Valuers have carried out their valuation assessments using RICS guidance on Covid-19.

The investment portfolio is stated at fair value, which requires a number of judgements and estimates in assessing the qualities of the company's assets relative to market transactions. In addition, valuers have needed to assess the implications of Covid-19 on the values of property assets, estimating the impact of unit closures and the risk of tenant default. Valuers have carried out their valuation assessments using RICS guidance on Covid-19.

U AND I (INNOVATION HUBS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

4. Turnover

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

	2021 £	6 month period ended 31 March 2020 £
Rent receivable	67,626	58,801
License fees	13,459	-
	<u>81,085</u>	<u>58,801</u>

All turnover arose within the United Kingdom.

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

The auditors remuneration for the statutory audit of the company of £4,000 (6 month period ended 31 March 2020: £2,500) has been borne by U and I Group PLC, the ultimate parent company.

Within cost of sales are property related expenses of £1,071,393 for the management and operation of the company's investment property. This includes £333,333 of management fees and £703,900 of running costs to Plus X Holdings Limited who manage the Plus X Building in Brighton on behalf of the company. Cost of sales also includes £125,000 of consultancy fees relating to the search of new investment properties.

6. Employees

The Company has no employees other than the Directors for the year ended 31 March 2021 (6 month period ended 31 March 2020: £Nil). 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 £21,650 (6 month period ended 31 March 2020: £2,623).

U AND I (INNOVATION HUBS) LIMITED

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

7. Taxation

	31 March 2021 £	6 month period 31 March 2020 £
Current tax on (losses)/profits for the year/period	-	-
	-	-
Total current tax	-	-

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	31 March 2021 £	6 month period 31 March 2020 £
(Loss)/profit before tax	(2,389,460)	278,166
(Loss)/profit before tax multiplied by standard rate of corporation tax in the UK of 19%	(453,997)	52,852
Effects of:		
Revaluation deficit of investment property	229,076	(42,423)
Group relief surrendered/(claimed)	224,921	(10,429)
Total tax charge for the period	-	-

U AND I (INNOVATION HUBS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

7. Taxation (continued)

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.

The following balances relate to the total deferred tax asset not recognised as losses carried forward:

	2021 £	2020 £
Notional capital losses	229,076	-
	<u>229,076</u>	<u>-</u>

8. Investment property

	Long term leasehold investment property £
Valuation	
At 1 April 2020	16,973,236
Additions at cost	113,582
Deficit on revaluation	(1,205,664)
At 31 March 2021	<u><u>15,881,154</u></u>

The freehold investment properties has been valued at 31 March 2021 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.

As a result of the Covid-19 pandemic, valuers were issued guidance from the RICS and a Material Valuation Uncertainty clause was inserted into the 31 March 2020 valuations. As the year progressed and greater transparency was achieved across the market this was lifted in stages by asset type, and by 3 November 2020 has been lifted for all asset types bar those with reference to trading potential.

U AND I (INNOVATION HUBS) LIMITED

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

9. Debtors

	2021 £	2020 £
Due after more than one year		
Other debtors	773,929	403,797
	<u>773,929</u>	<u>403,797</u>

Other debtors represents rent free incentives given to tenants that are amortised evenly over the length of the tenants lease.

	2021 £	2020 £
Due within one year		
Trade debtors	55,325	21,083
Other debtors	216,583	39,967
Prepayments and accrued income	241,742	-
Tax recoverable	92,733	13,074
	<u>606,383</u>	<u>74,124</u>

The company has provided £28,275 (2020: £Nil) against trade debtors where recovery is considered doubtful. Apart from the receivables that have been provided for at the year end, there is no further material expected credit loss. The maximum exposure to credit risk at the reporting date is the carrying value of the receivable.

10. Creditors

	2021 £
Trade creditors	575
Amounts owed to group undertakings	19,255,504
Accruals and deferred income	117,253
	<u>19,373,332</u>

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

U AND I (INNOVATION HUBS) LIMITED

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

11. Controlling party

The immediate parent company is U and I Plus X TC Limited. 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 U and I Plus X TC Limited can be obtained from 7A Howick Place, London, SW1P 1DZ.

U AND I (INNOVATION HUBS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

12. 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.

The Company assesses, on a forward-looking basis, the expected credit losses associated with its trade debtors. The recoverability of the debtors will be reviewed at the reporting date and adjusted on a contract-by-contract basis as necessary. 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. The loss allowance for trade debtors provided as at 31 March 2021 is £28,275 (2020: £NIL).

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 2021 as follows:

Financial assets as at 31 March 2021 are:

	On demand	Less than 3	3-12 months	1 to 5 years	More than 5	Total
	£	months	£	£	years	£
		£			£	
Cash at bank and in hand	573	-	-	-	-	573
Debtors	-	606,383	-	-	-	606,383
Debtors: amounts falling due after more than one year	-	-	-	773,929	-	773,929
	573	606,383	-	773,929	-	1,380,885

U AND I (INNOVATION HUBS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

Financial liabilities as at 31 March 2021 are:

	On demand £	Less than 3 months £	3-12 months £	1 to 5 years £	More than 5 years £	Total £
Creditors	(19,255,504)	(117,828)	-	-	-	(19,373,332)
	<u>(19,255,504)</u>	<u>(117,828)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,373,332)</u>