

COMPANY REGISTRATION NUMBER: SC149767

**Urban&Civic (Management) Limited**  
**Financial Statements**  
**30 September 2021**

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# **Urban&Civic (Management) Limited**

## **Financial Statements**

**Year ended 30 September 2021**

<b>Contents</b>	<b>Page</b>
Officers and professional advisers	<b>1</b>
Strategic report	<b>2</b>
Directors' report	<b>3</b>
Independent auditor's report to the members	<b>5</b>
Statement of comprehensive income	<b>9</b>
Statement of financial position	<b>10</b>
Statement of changes in equity	<b>11</b>
Notes to the financial statements	<b>12</b>

# **Urban&Civic (Management) Limited**

## **Officers and Professional Advisers**

**The board of directors**

R E Butler  
W N Hugill  
D L Wood

**Company secretary**

Urban&Civic (Secretaries) Limited

**Registered office**

4th Floor  
115 George Street  
Edinburgh  
EH2 4JN

**Auditor**

BDO LLP  
Chartered accountants & statutory auditor  
55 Baker Street  
London  
W1U 7EU

# **Urban&Civic (Management) Limited**

## **Strategic Report**

**Year ended 30 September 2021**

The directors present their strategic report together with the audited financial statements for the year ended 30 September 2021.

### **Principal activity**

The principal activity of the company is the provision of management and administration services.

### **Review of the business**

The company's results for the year and financial position are as shown in the financial statements. It is expected that the group will continue its activities and trade satisfactorily in the forthcoming year.

### **Key performance indicators**

The key performance indicators, both financial and non-financial, disclosed in the annual report of Urban&Civic Plc, its immediate parent company during the period, are equally applicable to the Company given its activity is consistent with the aims and objectives of the wider Group.

### **Risks and uncertainties**

All financial and non-financial risks faced by the Company are contained within those detailed in the annual report of Urban&Civic Plc, its immediate parent company during the period.

This report was approved by the board of directors on 18 March 2022 and signed on behalf of the board by:



D L Wood  
Director

Registered office:  
4th Floor  
115 George Street  
Edinburgh  
EH2 4JN

# **Urban&Civic (Management) Limited**

## **Directors' Report**

### **Year ended 30 September 2021**

The directors present their report and the financial statements of the company for the year ended 30 September 2021.

#### **Directors**

The directors who served the company during the year were as follows:

R E Butler  
W N Hugill  
D L Wood  
P A J Leech

(Resigned 21 June 2021)

#### **Dividends**

The directors do not recommend the payment of a dividend.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

#### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

# Urban&Civic (Management) Limited

## Directors' Report *(continued)*

**Year ended 30 September 2021**

This report was approved by the board of directors on 18 March 2022 and signed on behalf of the board by:



D L Wood  
Director

Registered office:  
4th Floor  
115 George Street  
Edinburgh  
EH2 4JN

# **Urban&Civic (Management) Limited**

## **Independent Auditor's Report to the Members of Urban&Civic (Management) Limited**

**Year ended 30 September 2021**

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2021 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.

We have audited the financial statements of Urban&Civic (Management) Limited ("the company") for the year ended 30 September 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

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

### **Independence**

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

### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

# **Urban&Civic (Management) Limited**

## **Independent Auditor's Report to the Members of Urban&Civic (Management) Limited (continued)**

**Year ended 30 September 2021**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



## **Urban&Civic (Management) Limited**

### **Independent Auditor's Report to the Members of Urban&Civic (Management) Limited (continued)**

**Year ended 30 September 2021**

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### **Extent to which the audit was capable of detecting irregularities, including fraud**

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

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the directors and other management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation) and taxation legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work included agreeing the financial statement disclosures to underlying supporting documentation, review of Board minutes, enquiries of management, enquiries of external advisers, review of correspondence with external legal advisers, and review of press releases.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries, in particular unusual account combinations or those posted by senior management. We evaluated whether there was evidence of bias by the directors in accounting estimates that represented a risk of material misstatement due to fraud and evaluating the business rationale of any significant transactions that were unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

# **Urban&Civic (Management) Limited**

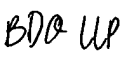
## **Independent Auditor's Report to the Members of Urban&Civic (Management) Limited (continued)**

**Year ended 30 September 2021**

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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Thomas Edward Goodworth (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor  
55 Baker Street  
London  
W1U 7EU

18 March 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number: OC305127).

# Urban&Civic (Management) Limited

## Statement of Comprehensive Income

Year ended 30 September 2021

	Note	2021 £	2020 £
Turnover	4	16,150,074	17,120,183
Gross profit		<u>16,150,074</u>	<u>17,120,183</u>
Administrative expenses		(19,722,180)	(17,468,720)
Operating loss	5	<u>(3,572,106)</u>	<u>(348,537)</u>
Other interest receivable and similar income	8	–	618
Interest payable and similar expenses	9	–	(224)
Loss before taxation		<u>(3,572,106)</u>	<u>(348,143)</u>
Tax on loss	10	<u>23,321</u>	<u>(3,281)</u>
Loss for the financial year and total comprehensive loss		<u><u>(3,548,785)</u></u>	<u><u>(351,424)</u></u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 21 form part of these financial statements.

# Urban&Civic (Management) Limited

## Statement of Financial Position

30 September 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	206,700	172,236
<b>Current assets</b>			
Debtors	12	17,107,685	24,310,469
Cash at bank and in hand		31,259	131,501
		<u>17,138,944</u>	<u>24,441,970</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(7,502,321)</u>	<u>(2,981,935)</u>
<b>Net current assets</b>		<u>9,636,623</u>	<u>21,460,035</u>
<b>Total assets less current liabilities</b>		<u>9,843,323</u>	<u>21,632,271</u>
<b>Provisions</b>			
Taxation including deferred tax	14	<u>(44,806)</u>	<u>(68,127)</u>
<b>Net assets</b>		<u>9,798,517</u>	<u>21,564,144</u>
<b>Capital and reserves</b>			
Called up share capital	18	300,000	300,000
Profit and loss account	19	9,498,517	21,264,144
<b>Shareholders' funds</b>		<u>9,798,517</u>	<u>21,564,144</u>

These financial statements were approved by the board of directors and authorised for issue on 18 March 2022, and are signed on behalf of the board by:



D L Wood  
Director

Company registration number: SC149767

The notes on pages 12 to 21 form part of these financial statements.

# Urban&Civic (Management) Limited

## Statement of Changes in Equity

Year ended 30 September 2021

	Called up share capital £	Profit and loss account £	Total £
<b>At 1 October 2019</b>	300,000	17,882,913	18,182,913
Loss for the year		(351,424)	(351,424)
<b>Total comprehensive income for the year</b>	—	(351,424)	(351,424)
Equity-settled share-based payments	—	3,732,655	3,732,655
<b>Total investments by and distributions to owners</b>	—	3,732,655	3,732,655
<b>At 30 September 2020</b>	300,000	21,264,144	21,564,144
Loss for the year		(3,548,785)	(3,548,785)
<b>Total comprehensive income for the year</b>	—	(3,548,785)	(3,548,785)
Cancellation of subscribed capital	—	(9,140,842)	(9,140,842)
Equity-settled share-based payments	—	924,000	924,000
<b>Total investments by and distributions to owners</b>	—	(8,216,842)	(8,216,842)
<b>At 30 September 2021</b>	<u>300,000</u>	<u>9,498,517</u>	<u>9,798,517</u>

The notes on pages 12 to 21 form part of these financial statements.

# **Urban&Civic (Management) Limited**

## **Notes to the Financial Statements**

**Year ended 30 September 2021**

### **1. General information**

The company is a private company limited by shares, registered in Scotland under the Companies Act. The address of the registered office is 4th floor, 115 George Street, Edinburgh, EH2 4JN. The principal activity of the company is the provision of management and administration services.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis.

In preparing the financial statements of this company, advantage has been taken of the following disclosure exemptions as permitted by FRS102:

- the requirements of Section 7 Statement of Cash flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraph 11.39 to 11.48A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7; and
- the requirements of Section 33 Key Management Personnel Compensation Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Urban&Civic Plc as at 30 September 2021 and these financial statements may be obtained from Companies House.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Going concern**

Urban&Civic (Management) Limited (the Company) is reliant on funding provided by Urban&Civic plc and fellow Group undertakings. Given Urban&Civic plc has confirmed that it shall continue to provide such support for the foreseeable future, and for a period of at least 12 months from the signing of these financial statements, the Directors consider it reasonable to rely on the continuation on this financing in making their assessment of the ability of the Company to continue as a going concern. The Directors have additionally considered the impact of Covid-19 and the resulting economic uncertainty.

In order to assess the potential impact of Covid-19, financial forecasts and sensitivity analysis have been prepared for the Group (which also incorporate Company forecasts) for a period in excess of 12 months from the date of approval of these financial statements. Based on these forecasts and assurances of support from other Group undertakings, the Directors consider that the Company has adequate resources for a period in excess of 12 months from the date of approval of these financial statements, and accordingly have concluded that it is appropriate for the Company to prepare its own financial statements on a going concern basis.

# **Urban&Civic (Management) Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 30 September 2021**

### **3. Accounting policies *(continued)***

#### **Judgements and key sources of estimation uncertainty**

The company makes certain estimates and assumptions regarding the future. These judgements and estimates affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates are continually evaluated based on historical experience and expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

In preparing these financial statements, the directors have made the following judgements and estimates:

#### **Share based payments**

The value of share-based payments is estimated using an option pricing model as at the date of grant and using certain assumptions.

#### **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### **Revenue recognition**

Turnover represents fees receivable for services excluding VAT in the normal course of business.

#### **Income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expenses 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's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

# Urban&Civic (Management) Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

### 3. Accounting policies *(continued)*

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land & Building	-	over the length of the lease
Plant & Machinery	-	straight line over twelve months
Fixtures & Fittings	-	25% straight line
Equipment	-	25% straight line

#### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### Defined contribution plans

Contributions to defined contribution pension schemes are charged to the profit and loss account in the year in which they become payable.



# Urban&Civic (Management) Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

### 3. Accounting policies *(continued)*

#### Share-based payments

The fair value of granting share awards under the Group's performance share plan, and the other share-based remuneration of the Directors and other employees, is recognised through the statement of comprehensive income. The fair value of shares awarded is calculated by using an option pricing model. The resulting fair value is amortised through the statement of comprehensive income on a straight line basis over the vesting period. The charge is reversed if it is likely that any non-market-based vesting criteria will not be met. The charge is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

#### Trade and other debtors

Trade and other debtors are initially recognised at fair value and subsequently at amortised cost or their recoverable amount. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable. The amount of such a provision is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade debtors, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses. On confirmation that the trade debtor will not be collectable the gross carrying value of the asset is written off against the associated provision.

#### Financial liabilities

Financial liabilities including trade creditors, other creditors, accruals and amounts due to group undertakings are originally recorded at fair value and subsequently stated at amortised cost under the effective interest method.

### 4. Turnover

Turnover arises from:

	2021	2020
	£	£
Group management fees	16,149,912	17,080,951
Other income	162	39,232
	<u>16,150,074</u>	<u>17,120,183</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

# Urban&Civic (Management) Limited

## Notes to the Financial Statements *(continued)*

### Year ended 30 September 2021

#### 5. Operating loss

Operating loss is stated after charging:

	2021	2020
	£	£
Depreciation of tangible assets	90,771	223,286
Loss on disposal of tangible assets	675	1,746
Bad debts written off	2	–
Equity-settled share-based payments expense	924,000	3,732,655

Auditors' remuneration was paid by a fellow group company in both the current and prior year.

#### 6. Staff costs

The average number of persons employed by the company during the year amounted to 94 (2020: 92).

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020
	£	£
Wages and salaries	12,530,888	12,291,797
Social security costs	2,940,877	1,307,377
Other pension costs	662,321	648,779
	16,134,086	14,247,953

Included within wages and salaries is an amount of £3,288,000 (2020: £2,040,000) which has been recharged and capitalised to development projects in fellow group companies.

#### 7. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	2,459,500	1,449,800
Company contributions to defined contribution pension plans	186,660	203,180
	2,646,160	1,652,980

Remuneration of the highest paid director in respect of qualifying services:

	2021	2020
	£	£
Aggregate remuneration	858,000	465,000
Company contributions to defined contribution pension plans	65,000	65,000
	923,000	530,000

The share options of the highest paid director were settled on the acquisition of the Urban&Civic plc Group by the Wellcome Trust on 21 January 2021. In the prior year, the highest paid director exercised share options.

During the year the company paid cash in lieu of pension contributions to money purchase schemes to 3 directors (2020 - 3).

# Urban&Civic (Management) Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

### 8. Other interest receivable and similar income

	2021	2020
	£	£
Interest on bank deposits	<u>—</u>	<u>618</u>

### 9. Interest payable and similar expenses

	2021	2020
	£	£
Other interest payable and similar charges	<u>—</u>	<u>224</u>

### 10. Tax on loss

#### Major components of tax (income)/expense

	2021	2020
	£	£
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>(23,321)</u>	<u>3,281</u>
<b>Tax on loss</b>	<u><u>(23,321)</u></u>	<u><u>3,281</u></u>

#### Reconciliation of tax (income)/expense

The tax assessed on the loss on ordinary activities for the year varies from the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021	2020
	£	£
Loss on ordinary activities before taxation	<u>(3,572,106)</u>	<u>(348,143)</u>
Loss on ordinary activities by rate of tax	<u>(678,700)</u>	<u>(66,147)</u>
Effect of expenses not deductible for tax purposes	<u>230,807</u>	<u>751,629</u>
Group relief	<u>2,185,943</u>	<u>(734,581)</u>
Deferred tax (credit)/charge (as above)	<u>(23,321)</u>	<u>3,281</u>
Tax losses and other items	<u>(1,738,050)</u>	<u>52,380</u>
Differences arising from taxation of chargeable gains	<u>—</u>	<u>(3,281)</u>
<b>Tax on loss</b>	<u><u>(23,321)</u></u>	<u><u>3,281</u></u>

# Urban&Civic (Management) Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

### 11. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>					
At 1 October 2020	684,171	11,240	222,872	440,054	<b>1,358,337</b>
Additions	–	18,780	55,379	51,752	<b>125,911</b>
Disposals	–	–	(109)	(10,295)	<b>(10,404)</b>
<b>At 30 September 2021</b>	<b>684,171</b>	<b>30,020</b>	<b>278,142</b>	<b>481,511</b>	<b>1,473,844</b>
<b>Depreciation</b>					
At 1 October 2020	673,354	10,401	196,651	305,696	<b>1,186,102</b>
Charge for the year	10,817	7,945	13,087	58,922	<b>90,771</b>
Disposals	–	–	(61)	(9,668)	<b>(9,729)</b>
<b>At 30 September 2021</b>	<b>684,171</b>	<b>18,346</b>	<b>209,677</b>	<b>354,950</b>	<b>1,267,144</b>
<b>Carrying amount</b>					
<b>At 30 September 2021</b>	<b>–</b>	<b>11,674</b>	<b>68,465</b>	<b>126,561</b>	<b>206,700</b>
At 30 September 2020	10,817	839	26,221	134,358	172,235

### 12. Debtors

	2021 £	2020 £
Trade debtors	166,647	51,030
Amounts owed by group undertakings	454,902	6,721,844
Prepayments and accrued income	16,372,984	17,400,867
Other debtors	113,152	136,728
	<b>17,107,685</b>	<b>24,310,469</b>

### 13. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	109,467	225,189
Amounts owed to group undertakings	1,149,206	602,899
Accruals and deferred income	4,964,747	712,737
Corporation tax	856,639	856,639
Social security and other taxes	352,394	516,900
Other creditors	69,868	67,571
	<b>7,502,321</b>	<b>2,981,935</b>

£602,899 of intra-group management charges were disclosed within accruals and deferred income in the prior year. These balances have been re-classified to amounts due to group undertakings.

# Urban&Civic (Management) Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

### 14. Provisions

	Deferred tax (note 15) £
At 1 October 2020	68,127
Unused amounts reversed (note 10)	<u>(23,321)</u>
<b>At 30 September 2021</b>	<b><u>44,806</u></b>

### 15. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2021 £	2020 £
Included in provisions (note 14)	<u>44,806</u>	<u>68,127</u>

### 16. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £662,321 (2020: £648,779).

# Urban&Civic (Management) Limited

## Notes to the Financial Statements *(continued)*

### Year ended 30 September 2021

#### 17. Share-based payments

Prior to the acquisition of the Urban&Civic plc Group by the Wellcome Trust on 21 January 2021, the Company operated an equity-settled share-based payment scheme for all Executive Directors and certain employees. All options held under the scheme either lapsed or were exercised on the acquisition of the Group and Company by the Wellcome Trust.

Prior to the acquisition of the Group by the Wellcome Trust, options were granted over the parent company's shares that were capable of vesting in accordance with the rules of the Performance Share Plan. Shares usually vested on the third anniversary of issue dependent on certain performance conditions having been met.

In the year ended 30 September 2021, options over nil shares were awarded to Directors and other participating staff (30 September 2020: 1,723,250 shares). The performance conditions attached to these awards were as follows:

- EPRA net asset value of the Urban&Civic plc Group must increase by greater than 5.0 per cent (4.0 per cent for the 2019 awards) per annum for 25 per cent vesting and must increase by greater than 12.0 per cent (11.0 per cent for the 2019 awards) per annum for 100 per cent vesting. Shares would vest on a pro-rated, straight line basis for outperformance between 5.0 per cent (4.0 per cent for the 2019 awards) per annum and 12.0 per cent (11.0 per cent for the 2019 awards) per annum; and
- Total shareholder return for the Urban&Civic plc Group must increase by more than 5.0 per cent (4.0 per cent for the 2019 awards) per annum for 25 per cent vesting and must increase by more than 12.0 per cent (11.0 per cent for the 2019 awards) per annum for 100 per cent vesting. Shares will vest on a pro-rated, straight line basis for outperform between 5.0 per cent (4.0 per cent for the 2019 awards) per annum and 12.0 per cent (11.0 per cent for the 2019 awards) per annum.

Awards will lapse if not vested at the end of the vesting period.

Details of the number and weighted average exercise prices (WAEP) of share options during the year are as follows:

	2021		2020	
	No.	WAEP	No.	WAEP
Outstanding at 1 October 2020	6,283,611	—	6,162,336	—
Granted during the year	—	—	1,723,250	—
Exercised during the year	(2,678,900)	—	(742,214)	—
Expired during the year	(3,604,711)	—	(859,761)	—
Outstanding at 30 September 2021	<u>—</u>	<u>—</u>	<u>6,283,611</u>	<u>—</u>
Exercisable at 30 September 2021	<u>—</u>	<u>—</u>	<u>10,345</u>	<u>—</u>

The total expense recognised in profit or loss for the year is as follows:

	2021	2020
	£	£
Equity-settled share-based payments	<u>924,000</u>	<u>3,732,655</u>

# Urban&Civic (Management) Limited

## Notes to the Financial Statements *(continued)*

### Year ended 30 September 2021

#### 17. Share-based payments *(continued)*

The fair value of the awards in the year ended 30 September 2020 was calculated by using an option pricing model involving six variables: share price, exercise price, expected term, expected dividend yield, expected volatility and risk-free interest rate. The values assigned to those variables were: 330.00p grant date share price, nil exercise price, expected term of three years, nil per cent expected dividend yield, 20.96 or nil per cent expected volatility and 0.53 or nil per cent expected risk free interest rate.

For each valuation, the expected volatility was determined by reference to historical volatility over a period of time commensurate with the remainder of the performance period immediately prior to the date of grant.

The weighted average share price on the date of the awards exercised in the year was 345p (2020: 344p).

#### 18. Called up share capital

##### Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>

#### 19. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

#### 20. Related party transactions

The company has taken advantage of the exemption allowed by FRS 102 Section 33, 'Related Party Disclosures', not to disclose any transactions with entities that are included in the consolidated financial statements of Urban&Civic Plc and are 100% owned.

#### 21. Controlling party

The company's immediate parent undertaking is Urban&Civic Plc, a company incorporated in Scotland.

The ultimate parent undertaking and controlling party of the company is the Wellcome Trust through its corporate trustee, The Wellcome Trust Limited.

The largest Group which consolidate the results of the Company are those of Urban&Civic plc. The results of Urban&Civic plc are not consolidated at a higher level. The Wellcome Trust holds a portfolio of investments, which are accounted for at fair value through profit or loss in its financial statements.

Copies of the Wellcome Trust Annual Report and Financial Statements are available from Wellcome Trust's website ([www.wellcome.org/news-and-reports/reports](http://www.wellcome.org/news-and-reports/reports)).