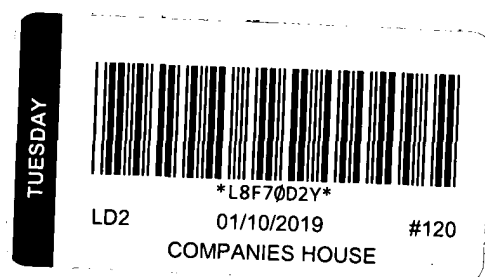


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**HDD NEWCASTLE UNDER LYME LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE 13 MONTH PERIOD ENDED 31 MARCH 2019**



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## HDD NEWCASTLE UNDER LYME LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	M S Weiner R Upton J S Hesketh M O Shepherd
<b>Company secretary</b>	C J Barton
<b>Registered number</b>	06287508
<b>Registered office</b>	7a Howick Place London SW1P 1DZ
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

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## HDD NEWCASTLE UNDER LYME LIMITED

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## HDD NEWCASTLE UNDER LYME LIMITED

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### STRATEGIC REPORT FOR THE 13 MONTH PERIOD ENDED 31 MARCH 2019

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#### **Business review, principal risks and future developments**

The principal activity of the company during the period and for the foreseeable future is that of property development. The Directors do not foresee any changes in the future activities of the company.

The profit for the 13 month period ended 31 March 2019, after taxation, amounted to £14,334 (year ended 28 February 2018: £11,005).

The Directors are unable to recommend the payment of a dividend (year ended 28 February 2018: £NIL).

The company has an interest in a development site at Newcastle Under Lyme. The Directors are continuing to pursue development opportunities on the site.

#### **Principal risks and uncertainties**

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

#### **Financial key performance indicators (KPIs)**

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 23 September 2019 and signed by its order.



**C J Barton**  
Company secretary

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## HDD NEWCASTLE UNDER LYME LIMITED

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### DIRECTORS' REPORT FOR THE 13 MONTH PERIOD ENDED 31 MARCH 2019

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During the period, the company changed its accounting reference date from 28 February to 31 March 2019 and the Directors present their report and audited financial statements for the thirteen month period to 31 March 2019, comparatives are for twelve months from 1 March 2017 to 28 February 2018.

#### Results and dividends

The profit for the 13 month period ended 31 March 2019, after taxation, amounted to £14,334 (year ended 28 February 2018: £11,005).

The Directors are unable to recommend the payment of a dividend (year ended 28 February 2018: £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 period and up to the date of signing of these financial statements were:

M S Weiner  
R Upton  
J S Hesketh  
M O Shepherd

#### 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.

#### Going concern

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

#### Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as 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.

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**HDD NEWCASTLE UNDER LYME LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE 13 MONTH PERIOD ENDED 31 MARCH 2019**

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**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 23 September 2019 and signed by its order.

A handwritten signature in black ink, appearing to be 'CJ Barton', with a long horizontal stroke extending to the right.

**C J Barton**  
Company secretary

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## HDD NEWCASTLE UNDER LYME LIMITED

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### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE 13 MONTH PERIOD ENDED 31 MARCH 2019**

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

Company law requires the Directors to prepare audited financial statements for each financial year. Under that law the Directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the audited financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these audited financial statements, the Directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

# ***Independent auditors' report to the members of HDD Newcastle Under Lyme Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, HDD Newcastle Under Lyme Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the 13 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 2019; the Statement of Comprehensive Income, the Statement of Changes in Equity for the 13 month period ended 31 March 2019; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **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.

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

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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### **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 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*

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 period ended 31 March 2019 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.

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## **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 for the 13 month period ended 31 March 2019 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](http://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.

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## **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.

*Victoria Tallon*

Victoria Tallon (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
23 September 2019

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HDD NEWCASTLE UNDER LYME LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 13 MONTH PERIOD ENDED 31 MARCH 2019

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	Note	13 month period ended 31 March 2019 £	Year ended 28 February 2018 £
Administrative expenses	3	14,334	11,005
<b>Operating profit before tax</b>	3	<b>14,334</b>	<b>11,005</b>
Tax on profit	5	-	-
<b>Profit for the financial period/year</b>		<b>14,334</b>	<b>11,005</b>

There were no recognised gains and losses for the 13 month period ended 31 March 2019 or for the year ended 28 February 2018 other than those included in the Statement of comprehensive income.

There was no other comprehensive income for the 13 month period ended 31 March 2019 (12 month ended 28 February 2018: £NIL).

All other amounts relate to continuing operations.

The notes on pages 10 to 14 form part of these financial statements.

**HDD NEWCASTLE UNDER LYME LIMITED**  
**REGISTERED NUMBER: 06287508**

**BALANCE SHEET**  
**AS AT 31 MARCH 2019**

	Note	31 March 2019 £	28 February 2018 £
<b>Current assets</b>			
Stocks	6	1,462,932	1,356,417
		<u>1,462,932</u>	<u>1,356,417</u>
Creditors	7	(1,743,785)	(1,651,604)
<b>Net current liabilities</b>		<u>(280,853)</u>	<u>(295,187)</u>
<b>Total assets less current liabilities</b>		<u>(280,853)</u>	<u>(295,187)</u>
<b>Net liabilities</b>		<u>(280,853)</u>	<u>(295,187)</u>
<b>Capital and reserves</b>			
Called up share capital	8	101	101
Retained earnings		<u>(280,954)</u>	<u>(295,288)</u>
<b>Total debt</b>		<u>(280,853)</u>	<u>(295,187)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 September 2019.



**M O Shepherd**  
Director

The notes on pages 10 to 14 form part of these financial statements.

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HDD NEWCASTLE UNDER LYME LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE 13 MONTH PERIOD ENDED 31 MARCH 2019

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	Called up share capital £	Retained earnings £	Total debt £
At 1 March 2017	101	(306,293)	(306,192)
Comprehensive income for the year			
Profit for the year	-	11,005	11,005
Total comprehensive income for the year	-	11,005	11,005
At 1 March 2018	101	(295,288)	(295,187)
Comprehensive income for the period			
Profit for the period	-	14,334	14,334
Total comprehensive income for the period	-	14,334	14,334
At 31 March 2019	101	(280,954)	(280,853)

The notes on pages 10 to 14 form part of these financial statements.

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## HDD NEWCASTLE UNDER LYME LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE 13 MONTH PERIOD ENDED 31 MARCH 2019

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#### 1. General information

HDD Newcastle Under Lyme 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 (FRS102) and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Going concern

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

##### 2.3 Exemptions for qualifying entities under FRS 102

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

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

##### 2.4 Stocks

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

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## HDD NEWCASTLE UNDER LYME LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE 13 MONTH PERIOD ENDED 31 MARCH 2019

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## 2. Accounting policies (continued)

### 2.5 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 liabilities

Creditors – Creditors are recognised at the original transaction value and subsequently measured at amortised cost.

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

### 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

## 3. Operating profit

The operating profit is stated after charging:

The auditors' remuneration for the statutory audit of the company of £2,500 (year ended 28 February 2018: £2,500) has been borne by U and I Group PLC, the ultimate parent company.

Within administrative expenses, historical accruals of £15,229 (year ended 28 February 2018: £13,500) were released to the Statement of comprehensive income as they were no longer required.

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## HDD NEWCASTLE UNDER LYME LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE 13 MONTH PERIOD ENDED 31 MARCH 2019

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#### 4. Employees

The company has no employees other than the Directors (year ended 28 February 2018: none). Their remuneration, including pension costs, is not borne directly by the company but by U and I Group PLC. The entity did not incur any costs in relation to salaries recharged (year ended 28 February 2018: £NIL).

#### 5. Taxation

There is no tax charge in the current period (year ended 28 February 2018: £NIL).

	13 month period ended 31 March 2019 £	Year ended 28 February 2018 £
Current tax for the period/year	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>

#### Factors affecting tax charge for the period/year

The tax assessed for the period is lower than (year ended 28 February 2018: lower than) the standard rate of corporation tax in the UK of 19.0% (year ended 28 February 2018: 19.1%). The differences are explained below:

	13 month period ended 31 March 2019 £	Year ended 28 February 2018 £
Operating profit before tax	<u>14,334</u>	<u>11,005</u>
Operating profit before tax multiplied by standard rate of corporation tax in the UK of 19.0% (year ended 28 February 2018: 19.1%)	2,723	2,102
<b>Effects of:</b>		
Group relief claimed for nil consideration	-	(2,102)
Utilisation of losses not provided	<u>(2,723)</u>	<u>-</u>
<b>Total tax charge for the period/year</b>	<u>-</u>	<u>-</u>

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**HDD NEWCASTLE UNDER LYME LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 13 MONTH PERIOD ENDED 31 MARCH 2019**

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**5. Taxation (continued)**

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

	<b>31 March 2019 £</b>	<b>28 February 2018 £</b>
At 1 March	<b>(38,213)</b>	<b>(44,800)</b>
Rate change adjustment	-	4,716
Current period/year charge	<b>2,437</b>	<b>1,871</b>
	<b><u>(35,776)</u></b>	<b><u>(38,213)</u></b>

Factors that may affect future tax charges

As part of the Finance (No. 2) Bill 2017, published on 20 March 2017, the UK government confirmed its intention to reduce the main rate of UK Corporation Tax to 17% by 2020. There were no changes to this announcement within the Finance Act 2019 which received Royal Assent on 12 February 2019.

**6. Stocks**

	<b>31 March 2019 £</b>	<b>28 February 2018 £</b>
At 1 March	<b>1,356,417</b>	<b>724,846</b>
Additions	<b>106,515</b>	<b>631,571</b>
	<b><u>1,462,932</u></b>	<b><u>1,356,417</u></b>

**7. Creditors**

	<b>31 March 2019 £</b>	<b>28 February 2018 £</b>
Amounts owed to group undertakings	<b>1,735,879</b>	<b>1,631,101</b>
Other creditors	-	15,229
Accruals	<b>7,906</b>	<b>5,274</b>
	<b><u>1,743,785</u></b>	<b><u>1,651,604</u></b>

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



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## HDD NEWCASTLE UNDER LYME LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE 13 MONTH PERIOD ENDED 31 MARCH 2019

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#### 8. Called up share capital

	31 March 2019 £	28 February 2018 £
<b>Authorised, called up and fully paid</b>		
100 (28 February 2018: 100) Ordinary Class A shares of £1.00 each	100	100
1 (28 February 2018: 1) Ordinary Class B share of £1.00	1	1
	<hr/>	<hr/>
	101	101
	<hr/>	<hr/>

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

#### 9. Controlling party

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

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

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