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COMPANY REGISTRATION NUMBER: 09907096

Urban Logistics REIT plc

Non-Statutory Interim Financial Statements

for the period from 1 April 2019 to 31 December 2019

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for the period from 1 April 2019 to 31 December 2019

Contents **Page**

Urban Logistics REIT plc
Directors' Responsibility Statement
for the period from 1 April 2019 to 31 December 2019

The directors are responsible for preparing the Non-Statutory Financial Statements in accordance with the requirements of section 839 of the Companies Act 2006.

Company law requires the directors of a public company wishing to make a distribution to prepare Non-Statutory Financial Statements that enable a reasonable judgment to be made as to the amounts of the items mentioned in section 836(1) of the Companies Act 2006. In respect of these Non-Statutory Financial Statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

The directors are also responsible for ensuring that they meet their responsibilities under the AIM Rules.

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 may differ from legislation in other jurisdictions.

This report was approved by the board of directors on 27 March 2020 and signed on behalf of the board by:

Bruce Anderson
Director

Registered office:
124 Sloane Street
London
SW1X 9BW

Urban Logistics REIT plc
Statement of Comprehensive Income
for the period from 1 April 2019 to 31 December 2019

	Note	Period from 1 Apr 19 to 31 Dec 19 £'000	Year to 31 Mar 19 £'000
Administrative and other expenses		(1,386)	(1,786)
Long-term incentive plan charge		(90)	(119)
Other operating income		1,467	1,744
Operating loss		(9)	(160)
Income from shares in group undertakings	**8**	13,516	5,000
Finance income		-	3
Profit on ordinary activities before taxation		13,507	4,843
Profit for the financial period and total comprehensive income		13,507	4,843

Urban Logistics REIT plc
Statement of Financial Position
as at 31 December 2019

	Note	31 Dec 19 £'000	31 Mar 19 £'000
Non-current assets			
Investments	6	93,800	93,800
Intangible assets		18	22
Total non-current assets		93,818	93,822
Current assets			
Trade and other receivable		88	19
Amounts due from group undertakings	8	10,321	1,878
Cash and cash equivalents		181	1,702
Total current assets		10,590	3,599
Creditors: amounts falling due within one year			
Other creditors		(893)	(744)
Net current assets		9,697	2,855
Total assets less current liabilities		103,515	96,677
Net assets		103,515	96,677
Capital and reserves			
Share capital	7	878	877
Share premium		93,937	93,877
Share warrant reserve		-	14
Other reserve		284	194
Retained earnings		8,416	1,715
Shareholder funds		103,515	96,677

These Non-Statutory Financial Statements were approved by the Board of Directors on 27 March 2020 and were signed on its behalf by:

Bruce Anderson
Director

Company number 09907096

Urban Logistics REIT plc
Statement of Changes in Equity
for the period from 1 April 2019 to 31 December 2019

	Share capital £'000	Share premium £'000	Share warrant reserves £'000	Other reserves £'000	Retained earnings £'000	Total £'000
At 1 April 2018	681	71,832	89	75	1,634	74,311
Profit for the period	-	-	-	-	4,843	4,843
Total comprehensive income	-	-	-	-	4,843	4,843
Dividend to shareholders	-	-	-	-	(4,762)	(4,762)
Long-term incentive plan	-	-	-	119	-	119
Issue of ordinary shares	171	19,565	-	-	-	19,736
Redemption of warrant shares	25	2,480	(75)	-	-	2,430
At 31 March 2019	877	93,877	14	194	1,715	96,677
At 1 April 2019	877	93,877	14	194	1,715	96,677
Profit for the period	-	-	-	-	13,507	13,507
Total comprehensive income	-	-	-	-	13,507	13,507
Dividend to shareholders	-	-	-	-	(6,818)	(6,818)
Long-term incentive plan	-	-	-	90	-	90
Redemption of warrant shares	1	60	(2)	-	-	59
Expiration of warrant shares	-	-	(12)	-	12	-
At 31 December 2019	878	93,937	-	284	8,416	103,515

1. General information

Urban Logistics REIT plc (the "company") carries on the business of property lettings throughout the United Kingdom. The company is a public limited company incorporated and domiciled in England and Wales and quoted on the AIM Market of The London Stock Exchange. The registered office address is 124 Sloane Street, London, SW1X 9BW.

2. Basis of preparation

These Non-Statutory Interim Financial Statements have been prepared in order to meet the requirements under section 836 of the Companies Act 2006 "Justification of a distribution by reference to relevant accounts".

The financial information in these Non-Statutory Financial Statements has been prepared using the accounting policies set out below, which are consistent with IFRS as adopted by the European Union. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS as applicable as at the end of the company's financial period to 31 December 2019.

The financial information contained in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 ("the Act").

The functional currency of the company is considered to be pounds sterling as this is the currency of the primary environment in which the company operates.

The Non-Statutory Financial Statements have been prepared on a historical cost basis.

Going Concern

The directors have made an assessment of the company's ability to continue as a going concern and are satisfied that the company has sufficient resources to continue in business for the foreseeable future, a period of not less than twelve months from the date of this report. For this reason, the directors adopt the going concern basis of accounting in preparing these Non-Statutory Financial Statements.

3. Accounting policies

Investment in subsidiaries

Investments in subsidiaries are stated at cost less any provision for impairment. A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount may not be recoverable, in which case an impairment provision is recognised and charged to the Statement of Comprehensive Income.

3. Accounting policies (continued)

Financial instruments
Financial assets and financial liabilities are recognised in the Statement of Financial Position when the company becomes a party to the contractual provisions of the instrument.

Financial assets
Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest rate method. A provision is established for irrecoverable amounts when there is objective evidence that amounts due under the original payments terms will not be collected. The amount of any provision is recognised in the Statement of Comprehensive Income.

Cash and cash equivalents are recognised initially at fair value and subsequently measured at amortised costs. Cash and cash equivalents comprise cash in hand, deposits held with banks and other short-term, highly liquid investments with original maturities of three months or less.

Financial liabilities
Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Trade and other payables are initially recorded at fair value, and are subsequently measured at amortised cost using the effect interest method.

Long-term incentive plan
The fair value of the long-term investment plan is calculated at the grant date using the Monte Carlo Model. The resulting cost is charged to the Statement of Comprehensive Income over the vesting period. The value of the charge is adjusted to reflect expected and actual levels of vesting.

Other operating income
Other operating income represents fees charged to other group companies for asset management and administration assistance.

Income from shares in group undertakings
Income from shares in group undertakings represents dividends receivable from subsidiary investments, and is recognised when the right to payment is established.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Non-Statutory Financial Statements in conformity with the generally accepted accounting practices requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the Statement of Financial Position date and the reported amounts of revenue and expenses during the reporting period.

Long-term investment plan

In determining the fair value of the long-term incentive plan and the related charge to the statement of comprehensive income, the company makes assumptions about future events and market conditions.

In particular, judgement must be formed as to the likely number of shares that will vest, and the fair value of each award granted.

The fair value is determined using a valuation model which is dependent on a number of assumptions of the Group's future dividend policy and the future volatility in the price of the group's shares. Such assumptions are based on publicly available information and reflects market expectation. Different assumptions about these factors to those made by the group could materially affect the reported value of long-term investment plan.

Carrying value of amounts due from group companies

Amounts due from group companies are initially recorded at cost and subsequently measured at amortised cost less provision for impairment. The directors have reviewed the financial position of its subsidiaries and do not consider the carrying amount to be impaired.

Carrying value of investment in subsidiaries

The carrying value of investments in subsidiaries are initially recorded at cost and subsequently measured at cost less provision for impairment. The directors have reviewed all forecast and budgetary information available to them and have deemed there to be no objective evidence that the company will not recover the full amount stated in these Non-Statutory Financial Statements.

A dividend was made out of pre-acquisition reserves of one of the subsidiary companies. Having reviewed the position of the subsidiary companies, the directors do not consider the carrying amount of the investment to be impaired.

5. Taxation

As a REIT, the company is exempt from corporation tax on the profits and gains from its property investment business, provided it continues to meet the certain conditions as per REIT regulations. For the period ending 31 December 2019, the company did not have any non-qualifying profits and accordingly there is no tax charge in the period. Any non-qualifying profits and gains however will continue to be subject to corporation tax.

6. Investments

	Shares in group undertakings £'000	Total £'000
Cost		
At 1 April 2019	93,800	93,800
At 31 December 2019	93,800	93,800
Impairment		
At 1 April 2019 and 31 December 2019	-	-
Carrying amount		
At 31 December 2019	**93,800**	**93,800**
At 31 March 2018	93,800	93,800

The investment above represents a 99.99% share of the Ordinary share capital in Urban Logistics Holdings Limited, an investment holding company incorporated in England and Wales.

7. Share Capital

	31 December 2019 Number	£'000
Issued and fully paid up at 1p each	87,690,604	877
At beginning of period	87,690,604	877
Issued and fully paid – 10 May 2019	61,000	1
At 31 December 2019	87,751,604	878

8. Amounts due from Group Companies

During the period the company received a dividends of £13,515,900 from Urban Logistics Holdings Limited, a 99.99% owned subsidiary. As at 31 December 2019 the balance due from Urban Logistics Holdings Limited was £10,320,651. The directors have reviewed the financial position of Urban Logistics Holdings Limited and do not consider the carrying amount to be impaired. The dividend income has been recognised when the right to payments is established.