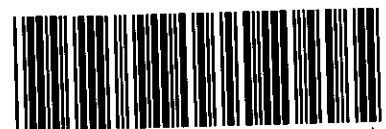


Registered number: 06531995

ST. DAVID'S (CARDIFF RESIDENTIAL) LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

TUESDAY



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COMPANIES HOUSE

ST. DAVID'S (CARDIFF RESIDENTIAL) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors of St. David's (Cardiff Residential) Limited ('the Company') present their report with the unaudited financial statements for the year ended 31 March 2023

Directors' responsibilities statement

The directors are responsible for preparing 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 101 'Reduced Disclosure Framework'. 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 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 audited 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.

Change of immediate parent company

On 27 March 2023, the joint venture, *Intu The Hayes Limited* sold its 50% shareholdings in the Company to Land Securities Group PLC

Principal activity, review of the business and future developments

The Company has continued its business of property investment in the United Kingdom. No changes to the Company's principal activity are anticipated in the foreseeable future

Going Concern

The directors have determined that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Land Securities Group PLC (together with its subsidiaries referred to as the 'Group'). The directors' going concern assessment covers the period to 28 February 2025 and confirmation has been received that Land Securities Group PLC will support the Company until this date, so long as the Company remains a subsidiary of Land Securities Group PLC. If the Company was sold within the next 12 months from 29 February 2024, confirmation has been received that Land Securities Group PLC would ensure the Company remains in a position to continue as a going concern at the point of sale. The Company's ability to meet its future liabilities is therefore dependent on the financial performance, position and liquidity of the Group as a whole. At the Group level, considerations included potential risks and uncertainties in the business, credit, market, property valuation and liquidity risks, including the availability and repayment profile of bank facilities, as well as forecast covenant compliance. Stress testing has been carried out to ensure the Group has sufficient cash resources to continue in operation for the period to 28 February 2025. This stress testing modelled a scenario with materially reduced levels of cash receipts over the next 12 months. Based on these considerations, together with available market information and the directors' knowledge and experience of the Company, the directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2023

Results for the year and dividend

The results are set out in the Statement of Comprehensive Income on page 3

The directors do not recommend the payment of a dividend for the year ended 31 March 2023 (2022: £Nil).

Directors

The directors who held during the year and up to the date of this report were, unless otherwise stated:

I Petts (appointed 18 July 2022, resigned 27 March 2023)
J H Wade (appointed 7 July 2021, resigned 27 March 2023)
J S Gillard (appointed 7 July 2021, resigned 15 June 2022)
A P G Dixon (resigned 27 March 2023)
R J Loveland (resigned 27 May 2022)
A J Russell (appointed 18 July 2022, resigned 27 March 2023)
J M Busby (appointed 18 July 2022, resigned 27 March 2023)
P Sueiras (appointed 18 July 2022, resigned 27 March 2023)
L McCaveny (appointed 27 March 2023)
Land Securities Management Services Limited (appointed 27 March 2023)
LS Director Limited (appointed 27 March 2023)

ST. DAVID'S (CARDIFF RESIDENTIAL) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Indemnity

The Company has made qualifying third-party indemnity provisions for the benefit of the respective directors which were in place throughout the year and which remain in place at the date of this report.

Small companies exemption

The Directors' Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Strategic report

The Company has taken advantage of the exemption under section 414B of the Companies Act 2006 not to prepare a Strategic Report

Registered Office
100 Victoria Street
London
SW1E 5JL

This report was approved by the Board and signed on its behalf.

DocuSigned by

Maria Smout

69DECA5B*E0C4DA

M Smout, for and on behalf of LS Company Secretaries Limited
Company Secretary

Date: February 23, 2024

Registered and domiciled in England and Wales
Registered number: 06531995

ST. DAVID'S (CARDIFF RESIDENTIAL) LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £000	2022 £000 (As restated)
Revenue	4	198	138
Costs	4	(118)	(98)
Gross profit		80	40
Management and administrative expenses	5	-	(10)
Net (deficit)/surplus on revaluation of investment properties	5	(2)	2,748
Operating profit		78	2,778
Tax on profit	6	-	(7)
Profit and total comprehensive income for the financial year		78	2,771

During the year, the Company changed its reporting framework from UK adopted international accounting standards (IFRSs and IFRICs) as applied in accordance with the provisions of the Companies Act 2006 to Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'). Refer to Note 2 - Changes in accounting policies and standards for further information on the impact of this change.

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income

The notes on pages 6 to 14 form part of these financial statements

All amounts are derived from continuing activities

ST. DAVID'S (CARDIFF RESIDENTIAL) LIMITED
REGISTERED NUMBER: 06531995

BALANCE SHEET
AS AT 31 MARCH 2023

		2023 £000	2022 £000 (As restated)	2021 £000 (As restated)
Fixed assets				
Net investment in finance leases	7	1,272	1,238	1,206
Trade and other receivables	8	-	125	125
		<u>1,272</u>	<u>1,363</u>	<u>1,331</u>
Current assets				
Trade and other receivables	8	77	67	142
Cash and cash equivalents	9	276	124	60
		<u>353</u>	<u>191</u>	<u>202</u>
Current liabilities				
Trade and other payables	10	(10)	(15)	(2,812)
Amounts owed to related parties	11	-	(251)	(204)
Amounts owed to Group undertakings	12	(249)	-	-
		<u>(259)</u>	<u>(266)</u>	<u>(3,016)</u>
Net current liabilities		<u>(259)</u>	<u>(266)</u>	<u>(3,016)</u>
Net assets/(liabilities)		<u>1,366</u>	<u>1,288</u>	<u>(1,483)</u>
Capital and reserves				
Share capital	13	-	-	-
Retained earnings/(loss)		1,366	1,288	(1,483)
Total equity/(deficit)		<u>1,366</u>	<u>1,288</u>	<u>(1,483)</u>

During the year, the Company changed its reporting framework from UK adopted international accounting standards (IFRSs and IFRICs) as applied in accordance with the provisions of the Companies Act 2006 to Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'). Refer to Note 2 - Changes in accounting policies and standards for further information on the impact of this change.

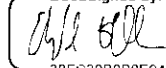
The Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements on pages 3 to 14 were approved by the board of Directors and were signed on its behalf by:

DocuSigned by:



38FC30B9B0E9404

E Gillbe, for and on behalf of LS Director Limited

Date: February 23, 2024

ST. DAVID'S (CARDIFF RESIDENTIAL) LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Share capital	Retained (loss)/earnings	Total
	£000	£000	£000
At 1 April 2021 (as restated)	-	(1,483)	(1,483)
Total comprehensive income for the financial year	-	2,771	2,771
At 31 March 2022 (as restated)	-	1,288	1,288
Total comprehensive income for the financial year	-	78	78
At 31 March 2023	-	1,366	1,366

During the year, the Company changed its reporting framework from UK adopted international accounting standards (IFRSs and IFRICs) as applied in accordance with the provisions of the Companies Act 2006 to Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'). Refer to Note 2 - Changes in accounting policies and standards for further information on the impact of this change.

The notes on pages 6 to 14 form part of these financial statements.

ST. DAVID'S (CARDIFF RESIDENTIAL) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****1. Accounting policies****1.1 Basis of preparation**

The financial statements have been prepared on a going concern basis and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006. The financial statements are prepared under the historical cost convention.

During the year, the Company changed its reporting framework from UK adopted international accounting standards (IFRSs and IFRICs) as applied in accordance with the provisions of the Companies Act 2006 to Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'). Refer to Note 2 - Changes in accounting policies and standards for further information on the impact of this change.

St. David's (Cardiff Residential) Limited ('the Company') is a private company limited by shares and is incorporated, domiciled and registered in England and Wales (Registered number: 06531995). The nature of the Company's operations is set out in the Directors' Report on page 1. The results of the Company are included in the consolidated financial statements of Land Securities Group PLC which are available from the Company's registered office at 100 Victoria Street, London, SW1E 5JL.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2023. The financial statements are prepared in Pounds Sterling (£) and are rounded to the nearest thousand pounds (£000) unless otherwise stated.

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The equivalent disclosures relating to IFRS 7, IFRS 13 & IAS 36 are included in the consolidated financial statements of Land Securities Group PLC, in which the entity is consolidated.

1.3 Trade and other receivables

Trade and other receivables are recognised initially at fair value, subsequently at amortised cost and, where relevant, adjusted for the time value of money. The Company assesses on a forward-looking basis, the expected-credit losses associated with its trade receivables. A provision for impairment is made for the lifetime expected credit-losses on initial recognition of the receivable. If collection is expected in more than one year, the balance is presented within non-current assets.

In determining the expected credit-losses, the Company takes into account any recent payment behaviours and future expectations of likely default events (i.e. not making payment on the due date) based on individual customer credit ratings, actual or expected insolvency filings or company voluntary arrangements, likely deferrals of payments due, rent concessions and market expectations and trends in the wider macro-economic environment in which our customers operate. These assessments are made on a customer by customer basis. Where a concession is agreed with a customer after the due date for the rent, this amount is recognised as an impairment of the related trade receivable.

Trade and other receivables are written off once all avenues to recover the balances are exhausted and the lease has ended. Receivables written off are no longer subject to any enforcement activity.

1.4 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or fewer.

1.5 Provisions

A provision is recognised in the Balance Sheet when the Company has a constructive or legal obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Where relevant, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

ST. DAVID'S (CARDIFF RESIDENTIAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

1.6 Share capital

Ordinary shares are classified as equity

1.7 Going concern

The directors have determined that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Land Securities Group PLC (together with its subsidiaries referred to as the 'Group'). The directors' going concern assessment covers the period to 28 February 2025 and confirmation has been received that Land Securities Group PLC will support the Company until this date, so long as the Company remains a subsidiary of Land Securities Group PLC. If the Company was sold within the next 12 months from 29 February 2024, confirmation has been received that Land Securities Group PLC would ensure the Company remains in a position to continue as a going concern at the point of sale. The Company's ability to meet its future liabilities is therefore dependent on the financial performance, position and liquidity of the Group as a whole. At the Group level, considerations included potential risks and uncertainties in the business, credit, market, property valuation and liquidity risks, including the availability and repayment profile of bank facilities, as well as forecast covenant compliance. Stress testing has been carried out to ensure the Group has sufficient cash resources to continue in operation for the period to 28 February 2025. This stress testing modelled a scenario with materially reduced levels of cash receipts over the next 12 months. Based on these considerations, together with available market information and the directors' knowledge and experience of the Company, the directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2023.

1.8 Revenue

Rental income, including fixed rental uplifts, is recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives being offered to occupiers to enter into a lease, such as an initial rent-free period or a cash contribution to fit out or similar costs, are an integral part of the net consideration for the use of the property and are therefore recognised on the same straight-line basis. Where the total consideration due under a lease is modified, for example, where a concession is granted to a tenant prior to the date the conceded rent falls due, the revised total amount due under the lease is recognised on a straight-line basis over the remaining term of the lease.

Contingent rents, being lease payments that are not fixed at the inception of a lease, for example turnover rents, are variable consideration and are recorded as income in the period in which they are earned. Where a single payment is received from a tenant to cover both rent and service charge, the service charge component is separated and reported as service charge income.

The Company's revenue from contracts with customers, as defined in IFRS 15 includes service charge income, other property related income, trading property sales proceeds and long-term development contract income.

Service charge income and management fees are recorded as income over time in the period in which the services are rendered. Revenue is recognised over time because the tenants benefit from the services as soon as they are rendered by the Company. The actual service provided during each reporting period is determined using cost incurred as the input method.

Other property related income includes development and asset management fees. These fees are recognised over time, using time elapsed as the input method which measures the benefit simultaneously received and consumed by the customer, over the period the development or asset management services are provided.

When property is let under a finance lease, the Company recognises a receivable equal to the net investment in the lease at inception of the lease. Rentals received are accounted for as repayments of principal and finance income as appropriate. Finance income is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining net investment in the finance lease and is recognised within revenue.

1.9 Expenses

Property and contract expenditure is expensed as incurred.

Minimum lease payments payable on finance leases and operating leases accounted for as finance leases under IFRS 16 are apportioned between finance expense and reduction of the outstanding liability. Finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining liability. Contingent rents are charged as an expense in the periods in which they are incurred.

1.10 Income taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the tax payable on the taxable income for the year and any adjustment in respect of previous years. Deferred tax is provided in full using the Balance Sheet liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised or the liability is settled.

No provision is made for temporary differences (i) arising on the initial recognition of assets or liabilities, other than on a business combination, that affect neither accounting nor taxable profit and (ii) relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

ST. DAVID'S (CARDIFF RESIDENTIAL) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****1. Accounting policies (continued)****1.11 Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company is lessor

i) Operating lease – properties leased out to tenants under operating leases are included in investment properties in the Balance Sheet.

Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return. Where only the buildings element of a property lease is classified as a finance lease, the land element is shown within operating leases.

ii) Finance lease – where the Company's leases transfer the significant risks and rewards incidental to ownership of the underlying asset to the tenant, the lease is accounted for as a finance lease. At the outset of the lease the fair value of the asset is de-recognised from investment property and recognised as a finance lease receivable. Lease income is recognised over the period of the lease, reflecting a constant rate of return. The difference between the gross receivable and the present value of the receivable is recognised as finance income within Revenue over the lease term.

1.12 Amounts owed to Group undertakings and related parties

Amounts owed to related parties are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, amounts owed to related parties are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the Statement of Comprehensive Income over the period of the loan, using the effective interest method.

In determining the expected credit-losses, the Company takes into account any future expectations of likely default events based on the level of capitalisation of the counterparty.

1.13 Trade and other payables

Trade and other payables with no stated interest rate and payable within one year are recorded at transaction price. Trade and other payables after one year are discounted based on the amortised cost method using the effective interest rate.

1.14 Dividends

Final dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

2. Changes in accounting policies and standards

The Company presents its financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101' or 'IFRS') from the financial year ended 31 March 2023. For periods up to and including the year ended 31 March 2022, the Company prepared its financial statements in accordance with UK adopted international accounting standards (IFRSs and IFRICs) as applied in accordance with the provisions of the Companies Act 2006. The date of transition to FRS 101 was 1 April 2021.

2.1 IFRS 1 exemptions

IFRS 1 stipulates that, in principle, the retrospective application of IFRS is required. However it provides some voluntary and mandatory exemptions from full retrospective applications. The Company has elected such exemptions with respect to the following item.

i) Leases

The Company has assessed whether contracts contain leases based on events and conditions existing at the date of transition. When a first-time adopter that is a lessee recognises right of use assets and lease liabilities, it is permitted to measure right of use assets and lease liabilities at the date of transition under IFRS 1. The Company measured all lease liabilities at the date of transition, using the present value of the remaining lease payments discounted by the lessee's incremental borrowing rate at the date of transition. The Company measured right of use assets at the date of transition, making them equal to the lease liabilities.

2.2 IFRS mandatory exemptions

IFRS 1 prohibits retroactive application of IFRS to 'estimates', 'derecognition of financial assets and liabilities' and 'classification and measurement of financial assets'. The Company applies IFRS to such items occurring after the date of transition.

ST. DAVID'S (CARDIFF RESIDENTIAL) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****2. Changes in accounting policies and standards (continued)****2.3 Reconciliation from IFRS to FRS 101**

The changes in the Company's financial position and operating results due to the transition from IFRS to FRS 101 are as follows.

	1 April 2021	31 March 2022	31 March 2023
	£000	£000	£000
Total (deficit)/equity (IFRS)	(1,484)	1,425	(1,483)
Investment properties	1,206	1,238	-
Transfer of investment properties to net investment in finance lease	(1,205)	(1,375)	-
Total (deficit)/equity (FRS101)	(1,483)	1,288	(1,483)
Statement of comprehensive income (IFRS)	(2,762)	2,908	78
Net investment in finance lease	1	(137)	-
Statement of comprehensive income (FRS101)	(2,761)	2,771	78
		2022	2021
		£000	£000
Prior year effect on investment properties			
Net investment in finance lease		-	-
Adjustment due to net investment in finance lease		1,238	1,206
		1,238	1,206

ST. DAVID'S (CARDIFF RESIDENTIAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

	Local GAAP £'000	Adjustment £'000	FRS 101 as at 31 March 2022 £'000	Local GAAP £'000	Adjustment £'000	FRS 101 as at 1 April 2021 £'000
Non-current assets						
Investment properties	1,375	(1,375)	-	1,205	(1,205)	-
Net investment in finance lease	-	1,238	1,238	-	1,206	1,206
Trade and other receivables	-	125	125	125	-	125
	<u>1,375</u>	<u>(12)</u>	<u>1,363</u>	<u>1,330</u>	<u>1</u>	<u>1,331</u>
Current assets						
Trade and other receivables	192	(125)	67	142	-	142
Cash and cash equivalent	124	-	124	60	-	60
	<u>316</u>	<u>(125)</u>	<u>191</u>	<u>202</u>	<u>-</u>	<u>202</u>
Current liabilities						
Trade and other payables	(15)	-	(15)	(2,812)	-	(2,812)
Amounts owed to related parties	(251)	-	(251)	(204)	-	(204)
	<u>(266)</u>	<u>-</u>	<u>(266)</u>	<u>(3,016)</u>	<u>-</u>	<u>(3,016)</u>
Net assets/(liabilities)	<u>1,425</u>	<u>(137)</u>	<u>1,288</u>	<u>(1,484)</u>	<u>1</u>	<u>(1,483)</u>
Capital and reserves						
Share capital	-	-	-	-	-	-
Retained earnings/(loss)	1,455	(137)	1,288	(1,484)	1	(1,483)
Net equity/(deficit)	<u>1,455</u>	<u>(137)</u>	<u>1,288</u>	<u>(1,484)</u>	<u>1</u>	<u>(1,483)</u>

3. Significant accounting judgements and estimates

The Company's significant accounting policies are stated in note 1 above. Not all of these significant accounting policies require management to make difficult, subjective or complex judgements or estimates. The following is intended to provide an understanding of the policies that management consider critical because of the level of complexity, judgement or estimation involved in their application and their impact on the financial statements. These estimates involve assumptions or judgements in respect of future events. Actual results may differ from these estimates.

Estimates

(a) Trade and other receivables

The Company is required to judge when there is sufficient objective evidence to require the impairment of individual trade receivables. It does this by assessing on a forward-looking basis, the expected credit-losses associated with its trade receivables. A provision for impairment is made for the lifetime expected credit-losses on initial recognition of the receivable. In determining the expected credit-losses, the Company takes into account any recent payment behaviours and future expectations of likely default events (i.e. not making payment on the due date) based on individual customer credit ratings, actual or expected insolvency filings or company voluntary arrangements, likely deferrals of payments due, rent concessions and market expectations and trends in the wider macro-economic environment in which our customers operate. These assessments are made on a customer by customer basis.

The Company's assessment of expected credit-losses is inherently subjective due to the forward-looking nature of the assessments, in particular, the assessment of expected insolvency filings or company voluntary arrangements, likely deferrals of payments due and rent concessions. As a result, the value of the provisions for impairment of the Company's trade receivables are subject to a degree of

ST. DAVID'S (CARDIFF RESIDENTIAL) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

uncertainty and are made on the basis of assumptions which may not prove to be accurate.

4. Revenue and costs

	2023 £000	2022 £000
Service charge income	3	4
Insurance income	100	42
Finance lease interest	95	92
	198	138
Costs		
Other direct property or contract expenditure	(118)	(98)
Gross profit	80	40

Other direct property or contract expenditure are costs incurred in the direct maintenance and upkeep of investment properties. Void costs, which include costs relating to empty properties pending redevelopment and refurbishment, costs of investigating potential development schemes which do not proceed, and costs in respect of housekeepers and outside staff directly responsible for property services, are also included.

5. Management and administrative expenses

Property management and administrative expenses consist of all costs of managing the property, together with the costs of rent reviews and renewals, re-lettings of the property and management services as explained in note (a) below. No staff costs or overheads are capitalised.

(a) Management services

The Company had no employees during the year (2022: None). No management services were provided to the Company in the current year or prior year.

(b) Directors' remuneration

The Group's directors' emoluments are borne by Land Securities Properties Limited. The directors of the Company received no emoluments from Land Securities Properties Limited for their services to the Company (2022: £Nil).

(c) Net (deficit)/surplus on revaluation of investment properties

The revaluation deficit during the year amounted to £2,000 (2022: surplus £2,748,000) on revaluation of investment properties. The investment properties were subsequently transferred to net investment in finance lease (see note 16).

6. Income tax

	2023 £000	2022 £000
Adjustment in respect of prior years	-	7
Total income tax on profit in the Statement of Comprehensive Income	-	7

ST. DAVID'S (CARDIFF RESIDENTIAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. Income tax (continued)

Factors affecting tax (credit)/charge for the year

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK of **19%** (2022: 19%) as set out below:

	2023 £000	2022 £000
Profit before tax	78	2,778
Profit before tax multiplied by UK corporation tax rate	15	528
Effects of:		
Exempt property rental profits in the year	(15)	-
Expenses not deductible for tax purposes	-	(554)
Adjustments in respect of prior years	-	33
Total tax (credit)/charge in the Statement of Comprehensive Income (as above)	-	7

Land Securities Group PLC is a Real Estate Investment Trust (REIT). As a result, the Company does not pay UK corporation tax on the profits and gains from qualifying rental business in the UK provided it meets certain conditions. Non-qualifying profits and gains of the Company continue to be subject to corporation tax as normal.

7. Net investment in finance lease

	2023 £000	2022 £000
Assets held under finance lease	1,272	1,238
	1,272	1,238

The Company has leased out a number of investment properties under finance leases, which range from 30 to 99 years in duration from the inception of the lease.

The fair value of the Company's finance lease receivables, using a discount rate of **5.0%** (2022: 5.0%), is **£1,271,927** (2022: £1,237,996).

8. Trade and other receivables

	2023 £000	2022 £000
Other receivables	61	55
Prepayments	10	12
Social security and other taxes	6	-
Total current trade and other receivables	77	67
Non-current receivables	-	125
Total trade and other receivables	77	192

In the prior year, non-current receivables related to shared ownership apartments that have been measured at fair value, in line with CBRE valuation reports.

ST. DAVID'S (CARDIFF RESIDENTIAL) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****9. Cash and cash equivalents**

	2023 £000	2022 £000
Cash at bank and in hand	276	124
Total cash and cash equivalents	276	124

10. Trade and other payables

	2023 £000	2022 £000
Deferred income	-	8
Current tax liabilities	10	7
Total trade and other payables	10	15

Deferred income principally related to rents received in advance

11. Amounts owed to related parties

	2023 £000	2022 £000
Amounts owed to Land Securities Properties Limited	-	63
Amounts owed to St David's Limited Partnership	-	188
Total amounts owed to related parties	-	251

The unsecured amounts owed to related parties were interest free and repayable on demand with no fixed repayment date

12. Amounts owed to Group undertakings

	2023 £000	2022 £000
Amounts owed to Group undertakings - fellow subsidiary	249	-
Total amounts owed to Group undertakings	249	-

The unsecured amounts owed to Group undertakings are interest free, repayable on demand with no fixed repayment date

13. Share capital

	Authorised and issued		Allotted and fully paid	
	2023 Number	2022 Number	2023 £	2022 £
Ordinary shares of £1.00	1	1	1	1
	1	1	1	1

ST. DAVID'S (CARDIFF RESIDENTIAL) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****14. Operating lease arrangements**

The Company earns rental income by leasing its investment and operating properties to tenants under non-cancellable operating leases.

At the Balance Sheet date, the Company had contracted with tenants to receive the following future minimum lease payments:

	2023	2022
	£000	£000
Not later than one year	61	61
Later than one year but not more than two years	61	61
Later than two years but not more than three years	61	61
Later than three years but not more than four years	61	61
Later than four year but not more than five years	61	61
More than five years	94,914	94,976
	95,219	95,281

The total of contingent rents recognised as income during the year was **£Nil** (2022: £Nil).

15. Parent company

The immediate parent company is Land Securities Group PLC. On 27 March 2023, the joint venture, Intu The Hayes Limited sold its 50% shareholdings in the Company to Land Securities Group PLC.

The ultimate parent company and controlling party at 31 March 2023 was Land Securities Group PLC, which is registered in England and Wales.

Consolidated financial statements for the year ended 31 March 2023, including the Company, for Land Securities Group PLC can be obtained from the Company Secretary at the registered office of the ultimate parent company, 100 Victoria Street, London, SW1E 5JL, and from the Group's website at www.landsec.com.