

U AND I (8AE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

U AND I (8AE) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors of U and I (8AE) Limited (the 'Company') present their report and the audited 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 audited 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 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 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; 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 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.

Principal activity, review of the business and future developments

The Company has commenced its business of property development in the United Kingdom during the year. No changes in 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 30 November 2024 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 30 November 2023, 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 30 November 2024. 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 6.

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

U AND I (8AE) LIMITED

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

Directors

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

M J Hood
R Upton (resigned 30 April 2022)
U and I Director 1 Limited (appointed 5 October 2022)
U and I Director 2 Limited (appointed 5 October 2022)

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 s414B of the Companies Act 2006 not to prepare a Strategic Report.

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.

Registered Office
100 Victoria Street
London
SW1E 5JL

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

L McCaveny, for and on behalf of U and I Company Secretaries Limited
Company Secretary

Date: 22 November 2023

Registered in England and Wales
Registered number: 10167296

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF U AND I (8AE) LIMITED

Opinion

We have audited the financial statements of U and I (8AE) Limited (the 'Company') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14, 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 FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2023 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.

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 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 to 30 November 2024.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF U AND I (8AE) LIMITED (CONTINUED)

Matters on which we are required to report by exception

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of the directors

As explained more fully in the directors' responsibilities statement set out on page 1, 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.

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.

Explanation as to what extent the audit was considered 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant tax regulations in the United Kingdom, including the UK REIT regulations.
- We understood how the Company is complying with those frameworks through enquiry with the Company and by identifying the Company's policies and procedures regarding compliance with laws and regulations. We also identified those members of the Company who have the primary responsibility for ensuring compliance with laws and regulations, and for reporting any known instances of non-compliance to those charged with governance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by reviewing the Land Securities Group risk register and through enquiry with the Company's Management during the planning and execution phases of the audit. Where the risk was considered to be higher we performed audit procedures to address each identified fraud risk, specifically the risk over recoverability of trading properties and long-term development contracts and trade and other receivables.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved:
 - Enquiry of Management, and when appropriate, those charged with governance of the Company regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
 - Reading minutes of meetings of those charged with governance;
 - Obtaining and reading correspondence from legal and regulatory bodies, including HMRC; and
 - Journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF U AND I (8AE) LIMITED (CONTINUED)

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.

Graeme Downes (Senior statutory auditor)

For and behalf of

Ernst & Young LLP, Statutory Auditor

London

23 November 2023

U AND I (8AE) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £000	2022 £000
Costs	4, 5	(454)	(11,445)
Gross loss		(454)	(11,445)
Administrative expenses	5	-	(271)
Operating loss		(454)	(11,716)
Interest expense	6	(1)	-
Loss before tax		(455)	(11,716)
Taxation	7	-	-
Loss and total comprehensive loss for the financial year		(455)	(11,716)

There were no recognised gains and losses for 2023 or 2022 other than those included in the Statement of Comprehensive Income.

All amounts are derived from continuing activities.

U AND I (8AE) LIMITED
Registered number: 10167296

BALANCE SHEET
AS AT 31 MARCH 2023

	Notes	2023 £000	2022 £000
Current assets			
Trading properties and long-term development contracts	8	-	-
Trade and other receivables	9	92	96
Cash and cash equivalents	10	-	5
		<u>92</u>	<u>101</u>
Current liabilities			
Trade creditors	11	(117)	(415)
Amounts owed to Group undertakings	12	(15,111)	(14,367)
		<u>(15,136)</u>	<u>(14,681)</u>
Net liabilities			
Capital and reserves			
Share capital	13	-	-
Retained losses		(15,136)	(14,681)
		<u>(15,136)</u>	<u>(14,681)</u>
Total deficit		<u>(15,136)</u>	<u>(14,681)</u>

The financial statements on pages 6 to 15 were approved by the Board of Directors and were signed on its behalf by:

C Lund, for and on behalf of U and I Director 1 Limited

Date: 22 November 2023

U AND I (8AE) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Share capital £000	Retained losses £000	Total deficit £000
At 1 April 2021	-	(2,965)	(2,965)
Loss for the financial year	-	(11,716)	(11,716)
At 31 March 2022	-	(14,681)	(14,681)
Loss for the financial year	-	(455)	(455)
At 31 March 2023	-	(15,136)	(15,136)

U AND I (8AE) 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 Financial Reporting Standard 102 ('FRS 102' The Financial Reporting Standard applicable in the UK and Republic of Ireland to Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') in order to align with accounting framework of its ultimate parent company Land Securities Group PLC. Refer to Note 2 - Changes in accounting policies for further information.

U and I (8AE) Limited (the 'Company') is a private company limited by shares and is incorporated, domiciled and registered in England and Wales (Registered number: 10167296). 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; and
 - paragraphs 76 and 79(d) of IAS 40 Investment Property
- 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 and IAS 36 are included in the consolidated financial statements of Land Securities Group PLC, in which the entity is consolidated.

1.3 Trading properties and long-term development contracts

Trading properties are those properties held for sale, or those being developed with a view to sell. Trading properties are recorded at the lower of cost and net realisable value. The net realisable value of a trading property is determined by a professional external valuer at each reporting date. If the net realisable value of a trading property is lower than its carrying value, an impairment loss is recorded in the Statement of Comprehensive Income. If, in subsequent periods, the net realisable value of a trading property that was previously impaired increases above its carrying value, the impairment is reversed to align the carrying value of the property with the net realisable value. Trading properties are presented on the Balance Sheet within current assets.

The profit on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset at the beginning of the accounting period plus capital expenditure to the date of disposal. Proceeds received on the sale of trading properties are recognised within Revenue, and the carrying value at the date of disposal is recognised within Costs.

1.4 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.

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

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

1. Accounting policies (continued)

1.5 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.

1.6 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.

1.7 Share capital

Ordinary shares are classified as equity.

1.8 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 30 November 2024 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 30 November 2023, 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 30 November 2024. 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.

1.9 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 year 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.

Proceeds received on the sale of trading properties are recognised within Revenue and the carrying value at the date of disposal is recognised within costs. Proceeds received on the sale of trading properties are recognised when control of the property transfers to the buyer, i.e. the buyer has the ability to direct the use of the property and the right to the cash inflows and outflows generated by it. This generally occurs on unconditional exchange or on completion. If completion is expected to occur significantly after exchange or if the Company has significant outstanding obligations between exchange and completion, the Company assesses whether there are multiple performance obligations in the contract and recognises revenue as each performance obligation is satisfied.

Revenue on development contracts is recognised over time over the period of the contract as the Company creates or enhances an asset that the customer controls. Progress towards completion of the development, by reference to the value of work completed using the costs incurred to date as a proportion of total costs expected to be incurred over the term of the contract is used as the input method.

1.10 Expenses

Expenditure is expensed as incurred with the exception of expenditure on long-term development contracts (see 1.3 above).

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

1. Accounting policies (continued)

1.11 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.

1.12 Intercompany loans

Amounts owed to Group undertakings

Amounts owed to Group undertakings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, amounts owed to Group undertakings 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.

Amounts due from Group undertakings

Amounts due from Group undertakings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, amounts due from Group undertakings are stated 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 amounts due from Group undertakings. A provision for impairment is made for the lifetime expected credit losses on initial recognition of the amounts due. 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 future expectations of likely default events based on the level of capitalisation of the counterparty, which is a fellow subsidiary undertaking of Land Securities Group PLC.

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 FRS 101 for the financial year ended 31 March 2023 for the first time. For periods up to and including the year ended 31 March 2022, the Company prepared its financial statements in accordance with FRS 102. The date of transition to FRS 101 was 1 April 2021. Accordingly, the Company has prepared financial statements that comply with FRS 101 applicable as at 31 March 2023, together with the comparative period data for the year ended 31 March 2022, as described in the summary of significant accounting policies. The Company assessed the impact of this change and concluded that there are no associated material implications of this change in accounting policies and therefore no third balance sheet as of 1 April 2021 has been presented in these financial statements.

U AND I (8AE) LIMITED

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

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

4. Costs

	2023 £000	2022 £000
Costs	454	11,716
Gross loss	454	11,716

Direct property or contract expenditure are costs incurred in the direct maintenance and upkeep of trading properties and long-term development contracts. 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

(a) Management services

The Company had no employees during the year (2022: None). Management services were provided to the Company throughout the year by Land Securities Properties Limited (2022: U and I Group Limited), a fellow subsidiary undertaking, charges for which amount to **£Nil** (2022: £262,000).

(b) Directors' remuneration

The Group's directors' emoluments are borne by Land Securities Properties Limited (2022: U and I Group Limited). The directors of the Company, who are key management personnel of the Company, received no emoluments from Land Securities Properties Limited (2022: U and I Group Limited) for their services to the Company (2022: £Nil).

(c) Auditor remuneration

The Group auditor's remuneration is borne by Land Securities Properties Limited (2022: LS Development Holdings Limited). The proportion of the remuneration which relates to the Company amounts to **£9,632** (2022: £8,595). No non-audit services were provided to the Company during the year (2022: None).

(d) Impairment of trading properties and long-term development contracts

An impairment of **£451,000** (2022: £11,445,000) in respect of trading properties and long-term development contracts has been recognised in the Statement of Comprehensive Income for the year.

U AND I (8AE) LIMITED

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

6. Interest expense

	2023	2022
	£000	£000
Interest on amounts due to Group undertakings	1	-
	<hr/>	<hr/>
Total interest expense	1	-
	<hr/> <hr/>	<hr/> <hr/>

7. Income tax

	2023	2022
	£000	£000
Corporation tax		
Income tax on loss for the year	-	-
	<hr/>	<hr/>
Total income tax on loss in the Statement of Comprehensive Income	-	-
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of **19%** (2022: 19%). The differences are explained below:

	2023	2022
	£000	£000
Loss before tax	(455)	(11,716)
	<hr/>	<hr/>
Loss before tax multiplied by standard rate of corporation tax	(86)	(2,226)
Effects of:		
Losses not provided for	86	2,226
	<hr/>	<hr/>
Total tax charge in the Statement of Comprehensive Income (as above)	-	-
	<hr/> <hr/>	<hr/> <hr/>

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.

8. Long-term development contract assets

	2023	2022
	£000	£000
At the beginning of the year	-	11,036
Additions	451	329
Staff costs capitalised	-	80
Impairment	(451)	(11,445)
	<hr/>	<hr/>
At 31 March	-	-
	<hr/> <hr/>	<hr/> <hr/>

The cumulative impairment provision at 31 March 2023 in respect of long-term development contract assets was **£11,896,000** (2022: £11,445,000).

U AND I (8AE) LIMITED

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

9. Trade and other receivables

	2023	2022
	£000	£000
Trade debtors	-	6
Less: allowance for doubtful accounts	-	-
	<hr/>	<hr/>
Total trade receivables	-	6
Other debtors	92	76
Social security and other taxes	-	14
	<hr/>	<hr/>
Total trade and other receivables	<u>92</u>	<u>96</u>

10. Cash and cash equivalents

	2023	2022
	£000	£000
Cash at bank and in hand	-	5
	<hr/>	<hr/>
Total cash and cash equivalents	<u>-</u>	<u>5</u>

11. Trade and other payables

	2023	2022
	£000	£000
Trade and other payables	79	-
Accruals	38	415
	<hr/>	<hr/>
	<u>117</u>	<u>415</u>

12. Amounts owed to Group undertakings

	2023	2022
	£000	£000
Amounts owed to Group undertakings - fellow subsidiary	15,111	14,367
	<hr/>	<hr/>
Total amounts owed to Group undertakings	<u>15,111</u>	<u>14,367</u>

The unsecured amounts owed to Group undertakings are repayable on demand with no fixed repayment date. Interest is charged at **4.3%** per annum (2022: Nil).

U AND I (8AE) LIMITED

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

13. Share capital

	Authorised and issued 2023 Number	Allotted and fully paid 2023 £	Authorised and issued 2022 Number	Allotted and fully paid 2022 £
Ordinary 'A' shares of £1.00 each	1	1	1	1
Ordinary 'B' shares of £1.00 each	1	1	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

There is no difference in voting rights, rights to dividends and rights on the winding up of the Company for each share class.

14. Parent company

The immediate parent company is U and I PPP Limited.

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 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 website at www.landsec.com. This is the largest and smallest Group to include these financial statements in its consolidated financial statements.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.