

U AND I INVESTMENT PORTFOLIO LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

U AND I INVESTMENT PORTFOLIO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors of U and I Investment Portfolio 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 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 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 audited 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 audited 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 continued its business of investment holding in the United Kingdom. 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 31 December 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 31 December 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 31 December 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 final dividend for the year ended 31 March 2023 (2022: £Nil).

Directors

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

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

U AND I INVESTMENT PORTFOLIO LIMITED

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

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.

Statement of disclosure of information to auditor

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 auditor is 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 auditor is 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: 20 December 2023

Registered and domiciled in England and Wales
Registered number: 12790552

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF U AND I INVESTMENT PORTFOLIO LIMITED

Opinion

We have audited the financial statements of U and I Investment Portfolio 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 11, 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 profit 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 below. 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.

Other matters

The corresponding figures for the financial year ended 31 March 2022 are unaudited.

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 31 December 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of 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 AUDITOR'S REPORT TO THE MEMBERS OF U AND I INVESTMENT PORTFOLIO 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 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 impairment of investment in subsidiary undertakings.
- 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 the 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 AUDITOR'S REPORT TO THE MEMBERS OF U AND I INVESTMENT PORTFOLIO 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.

U AND I INVESTMENT PORTFOLIO LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

| | | 2023 | 2022 |
|---|------|--------------|--------------------|
| | Note | £000 | £000 (restated) |
| Impairment of investment in subsidiary undertakings | 7 | - | (14,700) |
| Operating loss | | - | (14,700) |
| Interest expense | 5 | (109) | - |
| Loss before tax | | (109) | (14,700) |
| Taxation | 6 | - | - |
| Loss for the financial year | | (109) | (14,700) |

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 9 to 13 form part of these financial statements.

All amounts are derived from continuing activities.

U AND I INVESTMENT PORTFOLIO LIMITED
REGISTERED NUMBER:12790552

BALANCE SHEET
AS AT 31 MARCH 2023

| | Notes | 2023 £000 | 2022 £000 (restated) |
|---------------------------------------|-------|----------------|----------------------------|
| Non-current assets | | | |
| Investment in subsidiary undertakings | 7 | - | - |
| | | <hr/> | <hr/> |
| | | - | - |
| Current liabilities | | | |
| Amounts owed to Group undertakings | 8 | (5,109) | (5,000) |
| | | <hr/> | <hr/> |
| | | (5,109) | (5,000) |
| | | <hr/> | <hr/> |
| Net liabilities | | (5,109) | (5,000) |
| | | <hr/> | <hr/> |
| Capital and reserves | | | |
| Share capital | 9 | - | - |
| Share premium | | 13,285 | 13,285 |
| Retained losses | | (18,394) | (18,285) |
| | | <hr/> | <hr/> |
| Total deficit | | (5,109) | (5,000) |
| | | <hr/> | <hr/> |

The financial statements on pages 6 to 14 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
Director

Date: 20 December 2023

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

| | Share capital £000 | Share premium £000 | Retained losses £000 | Total deficit £000 |
|---|-----------------------|-----------------------|-------------------------|-----------------------|
| At 1 April 2021 | - | 9,997 | (3,585) | 6,412 |
| Total comprehensive loss for the financial year | - | - | (14,700) | (14,700) |
| Transactions with shareholders | | | | |
| Shares issued during the year (restated) | - | 3,288 | - | 3,288 |
| At 31 March 2022 (restated) | <u>-</u> | <u>13,285</u> | <u>(18,285)</u> | <u>(5,000)</u> |
| Total comprehensive loss for the financial year | - | - | (109) | (109) |
| At 31 March 2023 | <u><u>-</u></u> | <u><u>13,285</u></u> | <u><u>(18,394)</u></u> | <u><u>(5,109)</u></u> |

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 modified to include the revaluation of investment properties.

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 Investment Portfolio Limited (the 'Company') is a private company limited by shares and is incorporated, domiciled and registered in England and Wales (Registered number: 12790552). 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. Page 8

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 Group accounts

The financial statements present information about the Company as an individual undertaking and not about its group. The Company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary of Land Securities Group PLC, a Company incorporated in England and Wales whose consolidated financial statements are publicly available.

1.3 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.

1.4 Investment in subsidiary undertakings

Investment in a subsidiary undertakings are stated at cost, less any repayment of capital and provision for impairment in value (see 1.8).

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.

1.6 Share capital

Ordinary shares are classified as equity.

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

1. Accounting policies (continued)

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 31 December 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 31 December 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 31 December 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.

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1.8 Impairment

The carrying amounts of the Company's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below). An impairment loss is recognised in the Statement of Comprehensive Income whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. The value in use is determined as the net present value of the future cash flows expected to be derived from the asset, discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount after the reversal does not exceed the amount that would have been determined, net of applicable depreciation, if no impairment loss had been recognised.

1.9 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.

1.10 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.

1.11 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.

The accounting policies used in these financial statements are consistent with those applied in the last annual financial statements, as amended where relevant to reflect the adoption of new standards, amendments and interpretations which became effective in the year. There have been no new accounting standards, amendments or interpretations during the year that have a material impact on the financial statements of the Company.

U AND I INVESTMENT PORTFOLIO LIMITED

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

Amendments to accounting standards

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective for the Company, none of which are expected to have a material impact on the financial statements of the Company.

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) Impairment of investment in subsidiary undertakings

The Company is required to judge when there is sufficient objective evidence to require the impairment of investments in subsidiaries. It does this by assessing the net asset value of each subsidiary undertaking as at year end. A provision for impairment is made if the net asset value of the subsidiary undertaking is lower than the carrying amount of the investment recorded by the Company.

4. Management and administrative expenses

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). 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: £Nil).

(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 received no emoluments from Land Securities Properties 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).

5. Interest expense

| | 2023 £000 | 2022 £000 |
|--|--------------|--------------|
| Interest on amounts owed to Group undertakings | 109 | - |
| | 109 | - |

6. Income tax

| | 2023 £000 | 2022 £000 |
|--|--------------|--------------|
| Income tax on loss for the year | - | - |
| Total income tax on loss in the Statement of Comprehensive Income | - | - |

U AND I INVESTMENT PORTFOLIO LIMITED

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

6. Income tax (continued)

Factors affecting tax credit 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%) as set out below:

| | 2023 £000 | 2022 £000 |
|---|--------------|-----------------|
| Loss before tax | <u>(109)</u> | <u>(14,700)</u> |
| Loss before tax multiplied by UK corporation tax rate | (21) | (2,793) |
| Effects of: | | |
| Expenses not deductible | 21 | 2,793 |
| Total tax charge in the Statement of Comprehensive Income (as above) | <u>-</u> | <u>-</u> |

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. Investment in subsidiary undertakings

| | 2023 £000 | 2022 £000 |
|--|--------------|--------------|
| At the beginning of the financial year | - | 6,412 |
| Acquisitions | - | 8,288 |
| Impairment | - | (14,700) |

At 31 March

| | |
|---|---|
| | |
| - | - |
| | |

The total cost of investment in subsidiary undertakings is **£18,284,502** (2022: £18,284,502). The total provision for impairment of investment in subsidiary undertakings is **£18,284,500** (2022: £18,284,500).

The directors believe that the carrying value of the investment is supported by the fair value of the net assets of the subsidiary undertakings. The subsidiary undertakings of the Company are:

| Name | Class of shares owed | Holding Percentage | Principal Country of Incorporation | Nature of Business |
|-----------------------|----------------------|--------------------|------------------------------------|---------------------|
| U and I (IPA) Limited | £1 Ordinary shares | 100% | England & Wales | Property investment |
| U and I IPC Limited | £1 Ordinary shares | 100% | England & Wales | Property investment |

The subsidiary undertakings are registered at 100 Victoria Street, London, SW1E 5JL.

8. Amounts owed to Group undertakings

| | 2023 £000 | 2022 £000 |
|--|--------------|--------------|
| Amounts owed to Group undertakings - fellow subsidiary | 5,109 | 5,000 |
| Total amounts owed to Group undertakings | 5,109 | 5,000 |

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).

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

9. Share capital

| | Authorised and issued | Allotted and fully paid | |
|-------------------------------|-----------------------|-------------------------|-----------|
| | 2023 Number | 2022 Number | 2023 £ |
| Ordinary shares of £1.00 each | 9 | 8 | 9 |
| | <u>9</u> | <u>8</u> | <u>9</u> |

The addition of share capital in the year relates to share capital issued on 20 December 2020. The share capital of the Company was increased by the creation of 1 further ordinary shares of £1 each, fully paid at par. The new shares carry the same rights as the existing issued share capital. This was not material to require an adjustment to the comparative information.

10. Parent company

The immediate parent company is U and I Group Limited.

The ultimate parent company and controlling party at 31 March 2023 was Land Securities Group PLC, which is registered in England and Wales. This is the largest parent company of the Group to consolidate these financial statements.

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 accounts in its consolidated financial statements.

11. Prior year restatement

The results for the year ended 31 March 2022 have been restated due to the capital contribution being incorrectly presented in other comprehensive income. Furthermore the balance recorded in the capital contribution reserve has been reclassified to the share premium account as it relates to shares issued in the previous financial year. The impact of the restatement is detailed in the table below. There is no impact on retained earnings as at 31 March 2022.

| | |
|--|---------------|
| | 2022 £000 |
| Impact on capital contribution reserve | |
| Capital contribution reserve | 3,288 |
| Adjustment | (3,288) |
| Capital contribution reserve (restated) | - |
| Impact on share premium account | |
| Share premium | 9,997 |
| Adjustment | 3,288 |
| Share premium account (restated) | <u>13,285</u> |