

COMPANY REGISTRATION NUMBER: 3625138

Goodman UK Limited
Financial statements
30 June 2022

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Goodman UK Limited

Financial statements

Year ended 30 June 2022

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Goodman UK Limited

Officers and professional advisers

The board of directors

J M Cornell
C E Crossland
M J O'Sullivan
P C Ralston
R P Reed

Company secretary

Ancosec Limited

Registered office

Cornwall House
Blythe Gate
Blythe Valley Park
Solihull
West Midlands
B90 8AF

Auditor

KPMG LLP
Chartered accountants & statutory auditor
15 Canada Square
London
E14 5GL

Goodman UK Limited

Strategic report

Year ended 30 June 2022

Principal activity and business review

The directors present their Strategic report for the year ended 30 June 2022, including information based on Goodman UK Limited and its wholly owned subsidiaries, "Goodman UK Limited group".

At 30 June 2022, as per s383 of the Companies Act 2006, Goodman UK Limited has to produce a Strategic report on the grounds that the turnover and assets of its consolidated group exceed the thresholds of The Small Companies Regime of The Companies Act 2006.

The company is an intermediate holding company, part of Goodman Group, a company listed on the Australian Securities Exchange. The company holds investments in entities that undertake property development.

As shown in the Statement of comprehensive income, the company made a profit for the financial year of £967,589. The performance of the company is dependant on the performance of its investments, including individual schemes managed by the company's wholly owned subsidiaries, level of activity in other group companies and level of activities in related parties to the group. Due to the funding arrangements and cash flows on schemes and as to whether it is a land sale or construction project the margin per individual scheme will vary. Given the lack of consistency in returns on schemes and the extent to which the overall result can be profoundly affected by specific transactions the directors believe that further key performance indicators to analyse performance are not necessary or appropriate for an understanding of the development, performance or position of the business. The main focus internally is on controlling the costs and revenues on any individual scheme that may be undertaken.

The Statement of financial position shows that the company has net assets of £74,938,583 at the year end.

During the year, the Goodman UK Limited group earned income streams from the management of Goodman UK Partnership L.P., Goodman UK Partnership II L.P. and Goodman UK Partnership III L.P., "the Funds". The income streams included investment advisory fees and property service fees for investment properties, development management fees for investment properties under development, and development performance fees on stabilisation of investment properties under development. At 30 June 2022 the Funds owned £800.3m of investment properties (30 June 2021: £469.4m) and £570.1m of investment property under development (30 June 2021: £322.1m).

During the financial year ended 30 June 2022 Goodman UK Limited group had an average staff number of 36 (30 June 2021: 32).

Given the nature of the transactions in the books of Goodman UK Limited the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business.

Future developments

The company has no intention to change its principal activity, that of being a holding company.

Goodman UK Limited

Strategic report *(continued)*

Year ended 30 June 2022

Principal risks and uncertainties

The general risk environment in which the company operates has remained heightened during the period due to the continued impact of Covid-19, and the emergence of the UK economy from the pandemic, including related macroeconomic headwinds through rising inflation. Despite this the general risk environment is considered to have improved during the year with lifting of lockdown restrictions for the majority of the year, and improved activity in the UK economy and wider global investment markets.

The emergence of the conflict in Ukraine in February 2022 has led to increased global economic uncertainty with sanctions imposed upon Russia and heightened political and diplomatic tensions. The Directors do not consider the conflict at this stage to have had a material impact on the company financial statements owing to the nature of the company UK focused operations and limited exposure to Ukrainian and Russian businesses.

The principal risk facing the company is the potential to not meet its liabilities out of cash flow. The company receives funding via group loans, on which interest is charged, to provide the company with liquidity. The most significant liability of the company at 30 June 2022 relates to intercompany funding.

Going concern

The company had net current assets of £36,720,326 (30 June 2021: £36,752,833) and net assets of £74,938,583 (30 June 2021: £70,817,994) and the financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reason.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate UK parent company, Goodman UK Holdings Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Goodman UK Holdings Limited not seeking repayment of the amounts currently due to wholly owned subsidiaries of Goodman UK Holdings Limited, which amounted to £5,210,331 at 30 June 2022 and £5,154,675 at 31 August 2022, and providing additional financial support during that period. Goodman UK Holdings Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date which remain unpaid, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Dividends

The directors do not recommend the payment of a dividend (30 June 2021: £nil).

Payment of creditors

It is the groups practice to agree to creditors payment terms up front and adhere to these terms.

Goodman UK Limited

Strategic report *(continued)*

Year ended 30 June 2022

Section 172(1) statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, Section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the company.

In discharging our Section 172 duties we have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include the interests and views of our shareholders, other group companies, pension scheme members and other relevant stakeholders. In particular, management consider the following:

Likely consequences of any decisions in the long term

All business operations form part of a rolling three year business strategy which is reviewed and updated on a regular basis. Specific project plans often extend well beyond this timeframe. At Goodman, we understand the world is constantly changing and to be part of the future we must remain agile and open to new ways of working. It's in this way we aim to give our customers the space they need to succeed by providing sustainable solutions and unparalleled service in high-quality locations.

We care about the future of the planet and all the people in it. We believe sustainability is our responsibility and we choose to work with people and organisations who feel the same. It's one of the reasons we partner with charities all over the world who are striving to make a difference for those who can't always see a way forward. Greatness is not a singular pursuit. Nor is it one that is easy to reach. But at Goodman our vision is to make it a possibility for everyone by making space for it in everything we do.

Interests of the company's employees

All employees participate in regular employment surveys, and also in a long term incentive plan which is linked to the performance of the Goodman Group. The company also provides a wide range of benefits which include private healthcare and annual health checks to all employees. We actively pursue the very best people. And we give those people the space they need to grow and push us all a little further. We aim to attract people who want to reach their potential as part of our team, who can challenge our thinking and come up with new and innovative ideas to carry us into the future. Our team all have a stake in the business motivating them to work hard and take a long-term approach to decision-making.

Need to foster the company's business relationships with suppliers, customers and others We create logistics space for the world's greatest ambitions to allow our customers to grow and be successful. We aim to give them the space they need to reach their goals by providing sustainable solutions and unparalleled service in high-quality locations. The Goodman Group's purpose is to make space for its stakeholders' ambitions. This purpose is executed through Goodman's integrated business capabilities model - "own+develop+manage", where its customers' need for sustainable solutions and service excellence in high-quality locations, is at the centre. In its day to day operations, the Company engages with multiple stakeholders and in doing so reflects the group's Statement of Business Ethics which is communicated to staff via the intranet and training initiatives and refreshed regularly.

Impact of the company's operations on the community and environment

We share our network of resources, both people and properties, to help those who can't always see a way forward. The Goodman Foundation aims to improve the quality of life, standard of living and health of people across the communities where Goodman operates.

Goodman UK Limited

Strategic report *(continued)*

Year ended 30 June 2022

Section 172(1) statement *(continued)*

Through the Goodman Foundation, the Goodman Group in the UK is proud to be a sponsor of UKHarvest, a charity which is focussed on eliminating hunger and food waste. Furthermore the Company participates in a number of green initiatives, such as GRESB, PlanetMark certification, BREAM certification, and provides incentives for employees to lease electric motor vehicles.

Desirability of the company maintaining a reputation for high standards of business conduct

We deliver high quality product and customer service in key logistics markets globally by actively leveraging Goodman's industrial sector expertise, development and management experience and global operating platform. Goodman has adopted an Ethical Concerns policy which applies wherever it carries on business in the world. As part of this policy we set out our commitment to carrying out business in accordance with our stated values and our culture of integrity, compliance and ethical behaviour. A A whistleblowing procedure exists and is communicated to allow anybody to raise concerns that they may have either via the Goodman website or by email.

Need to act fairly as between members of the company

The company is a wholly owned subsidiary of the Goodman Group.

We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we do, however, aim to make sure that our decisions are consistent and predictable. As is normal for large, private companies, we delegate authority for day-to-day management of the Group to executives and then engage management in setting, approving and overseeing execution of the business strategy and related policies. Monitoring of this is conducted through regular business review meetings which are attended by a sub-set of the Board of Directors. Board meetings are held periodically, and activities reviewed through the consideration and discussion of information, which is sent in in advance of each Board meeting and through presentations to the Board, and the consideration of the impact of the relevant decisions on stakeholders. The company is part of a global integrated property group and one of the world's leading listed industrial property groups. Goodman Group is focused on its proven business model of owning, developing and managing industrial property and business space in key markets around the world. The principal activities of Goodman Group during the course of the current financial year were investment in directly and indirectly held industrial property, investment management, property services and property development. Goodman's key operating regions during the financial year were Australia and New Zealand, Asia, Continental Europe, the United Kingdom and the Americas.

Goodman UK Limited

Strategic report *(continued)*

Year ended 30 June 2022

Section 172(1) statement *(continued)*

The Goodman Group's purpose is to make space for its stakeholders' ambitions. This purpose is executed through Goodman's integrated business capabilities model - "own+develop+manage", where its customers' need for sustainable solutions and service excellence in high-quality locations, is at the centre.

The capabilities of the business are supported by five strategic "pillars":

1. Quality partnerships - develop and maintain strong relationships with key stakeholders including customers, investment partners, suppliers and employees.
2. Quality product and service - deliver high quality product and customer service in key logistics markets globally by actively leveraging Goodman's industrial sector expertise, development and management experience and global operating platform.
3. Culture and brand - promote Goodman's unique and recognisable brand and embed Goodman's core values across each operating division to foster a strong and consistent culture. The core values are:
 - Customer + Focus: "Be closer to the customer's world and their changing needs"
 - Innovative + Dynamic: "Be more creative in our thinking and more creative in our actions"
 - Open + Fair: "Be adaptable and considerate in our dealings inside and outside our business"
 - Performance + Drive: "Do what we say we'll do and make things happen"
 - Team + Respect: "Recognise the worth in each other and collaborate for better results".
4. Operational efficiency - optimise business resources to maximise effectiveness and drive efficiencies.
5. Capital efficiency - maintain active capital management to facilitate appropriate returns and sustainability of the business.

This report was approved by the board of directors on 11 October 2022 and signed on behalf of the board by:



for and on behalf of

Ancosec Limited
Company Secretary

Registered office:
Cornwall House
Blythe Gate
Blythe Valley Park
Solihull
West Midlands
B90 8AF

Goodman UK Limited

Directors' report

Year ended 30 June 2022

The directors present their report and the financial statements of the company for the year ended 30 June 2022.

Directors

The directors who served the company during the year were as follows:

J M Cornell
C E Crossland
M J O'Sullivan
P C Ralston
R P Reed

Dividends

The directors do not recommend the payment of a dividend.

Future developments

The company's principal activity is to act as a holding company.

The company is mindful of current global events and continues to monitor them closely. In particular, the company's operations are being managed conservatively and prudently in relation to the COVID-19 virus. At the date of approval of this report, there has been no evidence to suggest a material impact on the business has occurred. In a slowing global economic environment, demand for industrial assets from customers and investors remains robust.

Given the nature of the transactions in the books of the company, the directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business.

Group risks are discussed in the group's Annual Report which does not form part of these financial statements.

Greenhouse gas emissions and energy consumption

	Unit	2022	2021
Emissions resulting from activities for which the company is responsible	tCO ₂ e	87	84
Total emissions	tCO ₂ e	87	84
Total energy consumption	kWh	430,167	210,909
Intensity metric - average number of employees		36.00	32.00

Goodman UK Limited

Directors' report *(continued)*

Year ended 30 June 2022

Methodologies for energy and emissions calculations

The company follows the GHG Protocol for Corporate Emission Reporting. Goodman UK Holdings Limited and its wholly owned subsidiaries has reported on its main carbon emission streams for the financial year ended 30 June 2022:

- * Emissions resulting from electricity consumption for which the company is responsible, being 217,267kWh, 42tCO₂e and 1.0tCO₂e per average employee (30 June 2021: 158,805kWh, 34tCO₂e and 1.1tCO₂e per average employee);

- * Emissions resulting from gas consumption for which the company is responsible, being 118,706kWh, 22tCO₂e and 0.6tCO₂e per average employee (30 June 2021: 183,343kWh, 34tCO₂e and 1.1tCO₂e per average employee); &

- * Emissions resulting from business mileage activities for which the company is responsible, being 94,194kWh, 23tCO₂e and 0.6tCO₂e per average employee (30 June 2021: 52,105kWh, 13tCO₂e and 0.4tCO₂e per average employee).

Principal measures taken to increase energy efficiency

The company has successfully certified to The Planet Mark for the reporting period 1 July 2021 to 30 June 2022, which is the company's eleventh year of certification. The Planet Mark is a sustainability certification that recognises continuous improvements, encourages action, and builds an empowered community of like-minded individuals. The company also make a commitment upon certification of the Planet Mark to reduce their measured carbon footprint year on year. Through the Planet Mark, the company has taken action to protect one acre of rainforest with Cool Earth.

As sustainability is such an important part of their culture and values, this is front and centre in all discussions the company have with stakeholders, customers, supply chain and employees.

Goodman UK Limited and its wholly owned subsidiaries, "Goodman UK Limited group", has a Sustainable Procurement Strategy, which governs their approach to development and construction, ensuring the Goodman UK Limited group embed sustainability into our products and services. This covers key areas such as delivering properties that are resilient to climate change and improve energy efficiency; only using responsibly and ethically sourced materials in construction, and enhancing local areas where we develop new schemes. Goodman UK Limited group have also rolled out smart meters across our portfolio properties, helping customers to monitor their energy use and implement positive behavioural change.

The company's commitment is driven by a 'Green Team', who meet quarterly to review actions that have been taken and table ideas to further reduce their carbon footprint. There is also an open forum within the office to raise ideas from others outside of the Green Team that is prompted by issuing an email note of the Green Team meeting to the whole office.

Goodman UK Limited group has rolled out the Implementation of an electric vehicle (EV) incentive scheme, supporting staff to make the transition to EVs. For the financial year ended 30 June 2022, 25% of staff have signed up.

The company has also encouraged behavioural change amongst their employees by encouraging homeworking where possible, to reduce the impact of increasing travel emissions, with recovery from COVID.

Goodman UK Limited group also procures 100% renewable energy.

For the financial year ended 30 June 2022, Goodman UK Limited group have a 2.7tCO₂e increase being 0.08 per employee and 3.2% year on year. The company entered into a new office lease during the year and business travel has increased after the easing of the COVID restrictions.

Goodman UK Limited

Directors' report *(continued)*

Year ended 30 June 2022

Principal measures taken to increase energy efficiency(continued)

The company has the following targets for next year:

- * Carbon reduction 2.5%
- * Total target reduction 2 tCO₂e
- * Target reduction per employee 0.06 tCO₂e

Employee involvement

The company has no employees.

During the year ended 30 June 2022, the Goodman UK Limited group average weekly number of employees was less than 250 (30 June 2021: less than 250). No further disclosure is considered necessary.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 19 to the financial statements.

Research and development

The company does not invest in research and development.

Modern slavery act

The company has a longstanding commitment to conducting business in a responsible and ethical way in accordance with its Group's Code of Conduct. The Company is also committed to fulfilling its obligations under the Modern Slavery Act 2015. To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide training to our staff annually.

To help identify and monitor the risk of slavery and human trafficking in our supply chain we vet suppliers to ensure that they are committed to ethical labour practices. A more comprehensive explanation of our processes can be found in the Group's annual Modern Slavery Statement, which can be found on the Company website:

uk.goodman.com/-/media/files/sites/global/who-we-are/corporate-governance/statements/modern-slavery-statement.pdf.

The statement is reviewed by the Group's Board annually. This voluntary slavery and human trafficking statement is made for the financial year ending 30 June 2022. It was approved by Legal Counsel on 06 September 2022.

Disclosure of information in the strategic report

The directors have included in the Strategic report information on the company's principal activity and business review, principal risks and uncertainties, future developments, payment of creditors and dividends.

Goodman UK Limited

Directors' report *(continued)*

Year ended 30 June 2022

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 11 October 2022 and signed on behalf of the board by:



for and on behalf of
Ancosec Limited
Company Secretary

Registered office:
Cornwall House
Blythe Gate
Blythe Valley Park
Solihull
West Midlands
B90 8AF

Goodman UK Limited

Directors' responsibilities statement

Year ended 30 June 2022

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Goodman UK Limited

Independent auditor's report to the member of Goodman UK Limited

Year ended 30 June 2022

Opinion

We have audited the financial statements of Goodman UK Limited ("the company") for the year ended 30 June 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and related notes, including the summary of significant accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Goodman UK Limited

Independent auditor's report to the member of Goodman UK Limited *(continued)*

Year ended 30 June 2022

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors of whether they are aware of fraud and of the company's high-level policies and procedures to prevent and detect fraud.
- Reading Board minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as impairment of investments.

We did not identify any additional fraud risks.

On this audit we do not believe there is a fraud risk related to revenue recognition because the company's income primarily arises from operating contracts with fixed, or highly predictable, periodic payments.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries containing certain key words we established;
- Evaluated the business purpose of significant unusual transactions.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Goodman UK Limited

Independent auditor's report to the member of Goodman UK Limited *(continued)*

Year ended 30 June 2022

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery, data protection and anti-money laundering, recognising the nature of the company's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Goodman UK Limited

Independent auditor's report to the member of Goodman UK Limited *(continued)*

Year ended 30 June 2022

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Goodman UK Limited

Independent auditor's report to the member of Goodman UK Limited *(continued)*

Year ended 30 June 2022

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.



Bano Sheikh (Senior Statutory Auditor)

For and on behalf of
KPMG LLP
Chartered accountants & statutory auditor
15 Canada Square
London
E14 5GL

11 October 2022

Goodman UK Limited
Statement of comprehensive income
Year ended 30 June 2022

	Note	2022 £	2021 £
Administrative expenses		(1,180,118)	(629,268)
Other operating income	4	<u>296,895</u>	<u>(355,057)</u>
Operating loss	5	(883,223)	(984,325)
Income from shares in group undertakings	8	1,100,000	—
Other interest receivable and similar income	9	<u>750,812</u>	<u>750,751</u>
Profit/(loss) before taxation		967,589	(233,574)
Tax on profit/(loss)	10	<u>—</u>	<u>—</u>
Profit/(loss) for the financial year		<u>967,589</u>	<u>(233,574)</u>
Actuarial movement		3,153,000	(1,733,890)
Total comprehensive income for the year		<u>4,120,589</u>	<u>(1,967,464)</u>

All the activities of the company are from continuing operations.

The notes on pages 20 to 32 form part of these financial statements.

Goodman UK Limited
Statement of financial position
30 June 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	512,254	355,158
Investments	12	45,620,003	45,620,003
		<u>46,132,257</u>	<u>45,975,161</u>
Current assets			
Debtors	13	35,923,159	42,367,693
Cash at bank and in hand		6,365,183	472,187
		<u>42,288,342</u>	<u>42,839,880</u>
Creditors: amounts falling due within one year	14	(5,568,016)	(6,087,047)
Net current assets		<u>36,720,326</u>	<u>36,752,833</u>
Total assets less current liabilities		<u>82,852,583</u>	<u>82,727,994</u>
Net assets excluding defined benefit pension plan liability		<u>82,852,583</u>	<u>82,727,994</u>
Defined benefit pension plan liability	15	(7,914,000)	(11,910,000)
Net assets		<u>74,938,583</u>	<u>70,817,994</u>
Capital and reserves			
Called up share capital	16	92,281,604	92,281,604
Share premium account	17	24,002,315	24,002,315
Capital contribution	17	22,302,562	22,302,562
Defined benefit actuarial reserve	17	(17,560,181)	(20,713,181)
Profit and loss account	17	(46,087,717)	(47,055,306)
Shareholder funds		<u>74,938,583</u>	<u>70,817,994</u>

These financial statements were approved by the board of directors and authorised for issue on 11 October 2022, and are signed on behalf of the board by:



R P Reed
Director

Company registration number: 3625138

The notes on pages 20 to 32 form part of these financial statements.

Goodman UK Limited
Statement of changes in equity
Year ended 30 June 2022

	Called up share capital £	Share premium account £	Capital contribution £	Defined benefit actuarial reserve £	Profit and loss account £	Total £
At 1 July 2020	92,281,604	24,002,315	22,302,562	(18,979,291)	(46,821,732)	72,785,458
Loss for the year					(233,574)	(233,574)
Other comprehensive income for the year:						
Actuarial movement	—	—	—	(1,733,890)	—	(1,733,890)
Total comprehensive income for the year	—	—	—	(1,733,890)	(233,574)	(1,967,464)
At 30 June 2021	92,281,604	24,002,315	22,302,562	(20,713,181)	(47,055,306)	70,817,994
Profit for the year					967,589	967,589
Other comprehensive income for the year:						
Actuarial movement	—	—	—	3,153,000	—	3,153,000
Total comprehensive income for the year	—	—	—	3,153,000	967,589	4,120,589
At 30 June 2022	<u>92,281,604</u>	<u>24,002,315</u>	<u>22,302,562</u>	<u>(17,560,181)</u>	<u>(46,087,717)</u>	<u>74,938,583</u>

The notes on pages 20 to 32 form part of these financial statements.

Goodman UK Limited
Notes to the financial statements
Year ended 30 June 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Cornwall House, Blythe Gate, Blythe Valley Park, Solihull, West Midlands, B90 8AF.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity, and are rounded to the nearest Pound.

Going concern

The company had net current assets of £36,720,326 (30 June 2021: £36,752,833) and net assets of £74,938,583 (30 June 2021: £70,817,994) and the financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reason.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate UK parent company, Goodman UK Holdings Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Goodman UK Holdings Limited not seeking repayment of the amounts currently due to wholly owned subsidiaries of Goodman UK Holdings Limited, which amounted to £5,210,331 at 30 June 2022 and £5,154,675 at 31 August 2022, and providing additional financial support during that period. Goodman UK Holdings Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date which remain unpaid, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2022

3. Accounting policies *(continued)*

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Goodman Limited which can be obtained from The Hayesbery, 1-11 Hayes Road, Rosebery, NSW 2018, Australia. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of certain financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel, besides from directors remuneration disclosures made within these financial statements.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 401 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its parent undertaking of the largest and smallest group which includes the company and for which group accounts are prepared is Goodman Limited, a company incorporated in Australia listed on the Australian Securities Exchange. Goodman Limited is not established under the law of an EEA State. Financial statements can be obtained from www.goodman.com.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimate - valuation of pension - Refer to note 15 employee benefits.

Corporation tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2022

3. Accounting policies *(continued)*

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Furniture and fittings	- 10% to 33% - based on the assets useful economic life
------------------------	---

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2022

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2022

3. Accounting policies *(continued)*

Defined benefit plans

The company recognises a defined net benefit pension asset or liability in the statement of financial position as the net total of the present value of its obligations and the fair value of plan assets out of which the obligations are to be settled. The defined benefit liability is measured on a discounted present value basis using a rate determined by reference to market yields at the reporting date on high quality corporate bonds. Defined benefit obligations and the related expenses are measured using the projected unit credit method. Plan surpluses are recognised as a defined benefit asset only to the extent that the surplus is recoverable either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit asset or liability arising from employee service are recognised in profit or loss as a current service cost where it relates to services in the current period and as a past service cost where it relates to services in prior periods. Costs relating to plan introductions, benefit changes, curtailments and settlements are recognised in profit or loss in the period in which they occur.

Net interest is determined by multiplying the net defined benefit liability by the discount rate, both as determined at the start of the reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. Net interest is recognised in profit or loss.

4. Other operating income

	2022 £	2021 £
Rental income	–	(272,464)
Management charges receivable	744,000	569,000
Loss on disposal of investment property	(447,105)	(651,593)
	<u>296,895</u>	<u>(355,057)</u>

On 28 September 2020, an operating lease which the company had fully sublet was surrendered to the landlord.

Loss on disposal of investment property includes expenses related to consultancy costs associated with prior investment property disposals.

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022 £	2021 £
Depreciation of tangible assets	104,132	85,329
Operating lease rentals	454,266	775,950
Foreign exchange differences	<u>(1,657)</u>	<u>36,793</u>

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2022

6. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	<u>4,642</u>	<u>4,421</u>

Auditor's remuneration was borne by another group company in both years. There were no non-audit fees (30 June 2021: £nil).

7. Directors' emoluments

The emoluments of Mr C E Crossland, Mr J M Cornell, Mr P C Ralston and Mr R P Reed were paid by Goodman Logistics Developments (UK) Limited, ultimately controlled by Goodman Limited. The emoluments of Mr M J O'Sullivan were paid by Goodman Property Services (Aust) Pty Limited, being a fellow subsidiary of Goodman Limited. Total directors' remuneration disclosures, as required by Company law, are included in the respective financial statements.

It is not considered appropriate, given that there is no sensible apportionment of their time, to allocate directors' remuneration to the company. No portion of the costs has been recharged to the company.

8. Income from shares in group undertakings

	2022	2021
	£	£
Income from group undertakings	<u>1,100,000</u>	<u>—</u>

For the year ended 30 June 2022, £1,100,000 was received as a dividend distribution from Goodman Logistics Management (UK) Limited (30 June 2021: £nil).

9. Other interest receivable and similar income

	2022	2021
	£	£
Interest on cash and cash equivalents	263	—
Interest from group undertakings	<u>750,549</u>	<u>750,751</u>
	<u>750,812</u>	<u>750,751</u>

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2022

10. Tax on profit/(loss)

Reconciliation of tax income

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £	2021 £
Profit/(loss) on ordinary activities before taxation	967,589	(233,574)
Profit/(loss) on ordinary activities by rate of tax	183,842	(44,379)
Effect of expenses not deductible for tax purposes	389	261,659
Effect of capital allowances and depreciation	–	9,058
Effect of revenue exempt from tax	(209,000)	–
Utilisation of tax losses	(164,228)	–
Group relief (claimed)/surrendered	–	(226,338)
Capital allowance/depreciation	13,660	–
Transfer pricing adjustments	175,337	–
Tax on profit/(loss)	<u>–</u>	<u>–</u>

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. The UK deferred tax asset as at 30 June 2021 was calculated at 25% (30 June 2020: 19%). An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge and deferred tax asset accordingly.

A deferred tax asset of £472,723 (30 June 2021: £997,783) in respect of tax losses has not been recognised on the basis that there is uncertainty over the ability to recover its benefit.

11. Tangible assets

	Fixtures and fittings £
Cost	
At 1 July 2021	422,500
Additions	261,228
At 30 June 2022	<u>683,728</u>
Depreciation	
At 1 July 2021	67,342
Charge for the year	104,132
At 30 June 2022	<u>171,474</u>
Carrying amount	
At 30 June 2022	<u>512,254</u>
At 30 June 2021	<u>355,158</u>

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2022

12. Investments

	Shares in group undertakings £
Cost	
At 1 July 2021 and 30 June 2022	<u>131,680,832</u>
Impairment	
At 1 July 2021 and 30 June 2022	<u>86,060,829</u>
Carrying amount	
At 30 June 2022	<u>45,620,003</u>
At 30 June 2021	<u>45,620,003</u>

Shares in group undertakings

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
Goodman Operator (UK) Limited	Cornwall House Blythe Gate Blythe Valley Park Solihull West Midlands B90 8AF	Ordinary shares	100
Goodman Logistics Management (UK) Limited	Cornwall House Blythe Gate Blythe Valley Park Solihull West Midlands B90 8AF	Ordinary shares	100
Goodman Eastside Locks (UK) Ltd	Cornwall House Blythe Gate Blythe Valley Park Solihull West Midlands B90 8AF	Ordinary shares	100
Goodman Bidco 3 (UK) Limited	Cornwall House Blythe Gate Blythe Valley Park Solihull West Midlands B90 8AF	Ordinary shares	100

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2022

12. Investments *(continued)*

	Registered office	Class of share	Percentage of shares held
Goodman Real Estate Services (UK) Limited	Cornwall House Blythe Gate Blythe Valley Park Solihull West Midlands B90 8AF	Ordinary shares	100
Ancosec Limited	Cornwall House Blythe Gate Blythe Valley Park Solihull West Midlands B90 8AF	Ordinary shares	100
Goodman UK Pension Plan Trustees Limited	Cornwall House Blythe Gate Blythe Valley Park Solihull West Midlands B90 8AF	Ordinary shares	100
Goodman European Business Park Fund (Lux) S.à r.l.	28 Boulevard d'Avranches L-1160 Luxembourg	Ordinary shares	100

The principal activity of Ancosec Limited is a corporate secretary.

The principal activity of Goodman UK Pension Plan Trustees Limited is a pension trustee.

The principal activity of Goodman Operator (UK) Limited is the provision of operator and regulated services to real estate funds. The company is regulated by the Financial Conduct Authority.

The principal activity of Goodman Logistics Management (UK) Limited is the provision of services to the group headed by Goodman UK Partnership L.P., Goodman UK Partnership II L.P. and Goodman UK Partnership III L.P..

The principal activity of Goodman Eastside Locks (UK) Limited is property development.

The principal activity of Goodman Bidco 3 (UK) Limited is a holding company.

The principal activity of Goodman Real Estate Services (UK) Limited is an intermediate holding company.

The principal activity of Goodman European Business Park Fund (Lux) S.à r.l. is a holding company.

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2022

13. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	35,536,664	42,132,959
Prepayments and accrued income	205,465	185,711
Other debtors	181,030	49,023
	<u>35,923,159</u>	<u>42,367,693</u>

Amounts owed by group undertakings are unsecured and repayable on demand.

14. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	102,223	92,142
Amounts owed to group undertakings	5,210,331	5,326,954
Accruals and deferred income	13,639	425,978
Lease incentives received	241,823	241,973
	<u>5,568,016</u>	<u>6,087,047</u>

Amounts owed to group undertakings are unsecured and repayable on demand.

15. Employee benefits

Defined benefit plans

The latest full actuarial valuation of the scheme was carried out at 1 September 2019 by a qualified independent actuary (30 June 2019: at 1 September 2016). The total market value of the scheme assets at 1 September 2019 was £42,100,000 (30 June 2019: at 1 September 2016 was £38,600,000). The present value of the scheme liabilities at 1 September 2019 was £53,200,000 (30 June 2019: at 1 September 2016 was £63,400,000). The total deficit in the scheme (before any related deferred tax asset) at 1 September 2019 was £11,100,000 (30 June 2019: at 1 September 2016 was £24,800,000).

The expected return on plan assets is 2.0% (30 June 2021: 1.50%).

The statement of financial position net defined benefit liability is determined as follows:

	2022 £	2021 £
Present value of defined benefit obligations	(44,722,000)	(55,517,000)
Fair value of plan assets	36,808,000	43,607,000
	<u>(7,914,000)</u>	<u>(11,910,000)</u>

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2022

15. Employee benefits *(continued)*

Changes in the present value of the defined benefit obligations are as follows:

	2022 £
At 1 July 2021	55,517,000
Interest expense	1,019,000
Benefits paid	(1,263,000)
Remeasurements:	
Actuarial gains and losses	(10,551,000)
At 30 June 2022	<u>44,722,000</u>

Changes in the fair value of plan assets are as follows:

	2022 £
At 1 July 2021	43,607,000
Benefits paid	(1,263,000)
Contributions by employer	1,070,000
Remeasurements:	
Actuarial gains and losses	(7,398,000)
Return on plan assets, excluding amount included in interest income	792,000
At 30 June 2022	<u>36,808,000</u>

The total costs for the year in relation to defined benefit plans are as follows:

	2022 £	2021 £
Recognised in profit or loss:		
Net interest income	(227,000)	(198,000)

The fair value of the major categories of plan assets are as follows:

	2022 £	2021 £
Equity instruments	17,117,000	19,499,000
Debt instruments	3,566,000	3,496,000
Property	1,771,000	2,452,000
Cash and cash equivalents	667,000	817,000
Annuities	3,121,000	3,916,000
Diversified credit fund	1,526,000	1,715,000
LDI	9,040,000	11,712,000
	<u>36,808,000</u>	<u>43,607,000</u>

The return on plan assets are as follows:

	2022 £	2021 £
Return on assets of benefit plan	(5,526,000)	(1,028,000)

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2022

15. Employee benefits *(continued)*

The principal actuarial assumptions as at the statement of financial position date were:

	2022	2021
	%	%
Discount rate	3.50	2.00
Expected rate of increase in pensions	2.80	2.70
Inflation assumption	3.30	3.20
Mortality rates:		
Current pensioners at 65 - male	21.40	21.40
Current pensioners at 65 - female	23.80	23.80
Future pensioners at 65 - male	22.30	22.30
Future pensioners at 65 - female	25.00	25.00

16. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £0.25 each	348,001,568	87,000,392	348,001,568	87,000,392
Non-voting ordinary shares of £0.25 each	21,124,847	5,281,212	21,124,847	5,281,212
	<u>369,126,415</u>	<u>92,281,604</u>	<u>369,126,415</u>	<u>92,281,604</u>

17. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Capital contribution account - This reserve records capital contributions from the parent company.

Defined benefit actuarial reserve account - This reserve recognises movements in the defined benefit obligations and pension plan assets that are not attributable to activities of the company.

18. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than 1 year	379,364	316,995
Later than 1 year and not later than 5 years	1,459,188	1,267,980
Later than 5 years	447,777	764,772
	<u>2,286,329</u>	<u>2,349,747</u>

In September 2020, the company surrendered an operating lease with an annual rental of £1,665,346.

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2022

19. Events after the end of the reporting period

Subsequent events have been evaluated up to the date the financial statements were approved and authorised for issue by the directors and there are no material events to be disclosed or adjusted for in these financial statements.

20. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 102 Section 33 - Related Party Disclosures.

21. Controlling party

The company's immediate parent undertaking is Dollplace Limited, a company registered in England and Wales. The company is ultimately controlled by Goodman Limited.

Goodman UK Limited is part of a group named Goodman Group (GMG). This group with several companies includes the entities Goodman Limited, Goodman Industrial Trust (including Goodman Funds Management Limited) and Goodman Logistics (HK) Limited. Goodman Limited is incorporated in Australia, Goodman Industrial Trust is established in Australia, and Goodman Logistics (HK) Limited is incorporated in Hong Kong. These entities have stapled securities, which consist of a unit in Goodman Industrial Trust, a share in Goodman Limited and a share in Goodman Logistics (HK) Limited. These stapled securities are listed and traded on the Australian Securities Exchange.

The parent undertaking of the smallest group, which includes the company and for which group accounts are prepared, is Goodman Logistics (HK) Limited.

The parent undertaking of the largest group, which includes the company and for which group accounts are prepared, is Goodman Limited.

The registered address of Goodman Limited: The Hayesbery, 1-11 Hayes Road, Rosebery, NSW 2018, Australia. Financial statements can be obtained from www.goodman.com.