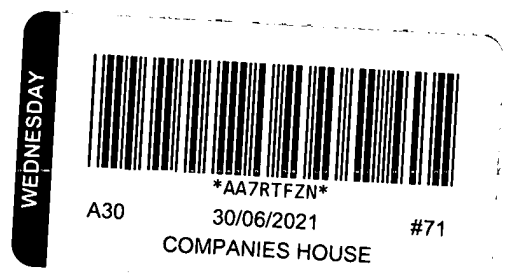


COMPANY REGISTRATION NUMBER: 3625138

Goodman UK Limited
Financial statements
30 June 2020



Goodman UK Limited

Financial statements

Year ended 30 June 2020

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	7
Directors' responsibilities statement	10
Independent auditor's report to the member	11
Statement of comprehensive income	13
Statement of financial position	14
Statement of changes in equity	15
Notes to the financial statements	16

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

Nelson House
Central Boulevard
Blythe Valley Park
Solihull
West Midlands
B90 8BG

Auditor

KPMG LLP
Chartered accountants & statutory auditor
One Snowhill
Birmingham
B4 6GH

Goodman UK Limited

Strategic report

Year ended 30 June 2020

Principal activity and business review

The directors present their Strategic report for the year ended 30 June 2020, including information based on the Goodman UK Limited consolidated group.

At 30 June 2020, 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 loss for the financial year of £15,587. 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 £72,785,458 at the year end.

During the year, the Goodman UK Limited consolidated group earned income streams from the management of Goodman UK Partnership L.P ("GUKLP"). The income streams included investment advisory fees for investment properties owned by GUKLP and development management fees for investment properties under development by GUKLP. At 30 June 2020 GUKLP owned £260.8m of investment properties (30 June 2019: £159.1m) and £185.2m of investment property under development (30 June 2019: £150.9m).

During the financial year ended 30 June 2019 Goodman UK Limited consolidated group had an average staff number of 37 (30 June 2019: 42).

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 2020

Principal risks and uncertainties

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.

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 2020 relates to intercompany funding.

Going concern

The company had net current assets of £41,363,946 (30 June 2019: £41,737,133) and net assets of £86,616,458 (30 June 2019: £87,357,135) 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 £5,693,912 at 30 June 2020 and £5,488,607 at 31 May 2021, 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 2019: £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 2020

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 2020

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 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 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 2020

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 29 June 2021 and signed on behalf of the board by:



Ancosec Limited
Company Secretary

Registered office:
Nelson House
Central Boulevard
Blythe Valley Park
Solihull
West Midlands
B90 8BG

Goodman UK Limited

Directors' report

Year ended 30 June 2020

The directors present their report and the financial statements of the company for the year ended 30 June 2020.

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	2020
Emissions resulting from activities for which the company is responsible	tCO2e	101
Total emissions	tCO2e	101
Total energy consumption	kWh	381,826
Intensity metric - average number of employees		44.00

Methodologies for energy and emissions calculations

The company follows the GHG Protocol for Corporate Emission Reporting. Goodman UK Limited and its wholly owned subsidiaries has reported on its main carbon emission streams for the financial year ended 30 June 2020:

- * Emissions resulting from electricity consumption for which the company is responsible, being 217,595kWh, 51tCO2e and 1.15tCO2e per average employee;
- * Emissions resulting from gas consumption for which the company is responsible, being 74,024kWh, 26tCO2e and 0.6tCO2e per average employee; &
- * Emissions resulting from business mileage activities for which the company is responsible, being 90,207kWh, 24tCO2e and 0.6tCO2e per average employee.

Goodman UK Limited

Directors' report *(continued)*

Year ended 30 June 2020

Principal measures taken to increase energy efficiency

Our sustainability vision is aligned with our purpose "Making space for greatness" which is designed to address the needs of all our stakeholders. 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 now and into the future. We care about the future of the planet and all the people in it and strive to have a positive impact on the world. We believe that a sustainable approach makes good business sense and seek to work with stakeholders feel the same.

Goodman is committed to creating sustainable developments which balance environmental impacts with social and economic benefits through sustainable; design, material selection, manufacture, transportation, construction, labour sourcing, usage, wastage, and reuse of materials. The company is looking at the building process of our developments to target carbon neutral by 2025 which involves us investigating carbon offsetting scheme for our property developments. The company is also analysing a photovoltaic installation programme over the next five years.

In a bid to increase the number of electric and hybrid vehicles driven by our employees, we partnered with Tusker in April 2020, a lease company offering a smarter way to run a car. One fixed rate covers all costs associated with the vehicle, with zero tax on electric cars, encouraging the most environmentally friendly options.

The company is partnered with The Planet Mark. This is the company's eighth year of business carbon footprint reporting and certification to The Planet Mark.

The company has a dedicated "Green team" who meet quarterly to review what we are doing and table ideas to further reduce our carbon footprint. There is an open forum within the office to raise ideas from others outside of the Green Team.

The company has the following targets for next year:

- * Carbon reduction 5%
- * Total target reduction 5.4 tCO₂e
- * Target reduction per employee 0.14 tCO₂e

Employee involvement

The company has no employees.

During the year ended 30 June 2020, the Goodman UK Limited group average weekly number of employees was 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 21 to the financial statements.

Research and development

The company does not invest in research and development.

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 2020

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.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 29 June 2021 and signed on behalf of the board by:



Ancosec Limited
Company Secretary

Registered office:
Nelson House
Central Boulevard
Blythe Valley Park
Solihull
West Midlands
B90 8BG

Goodman UK Limited
Directors' responsibilities statement
Year ended 30 June 2020

The directors are responsible for preparing the Strategic Report and 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOODMAN UK LIMITED

Opinion

We have audited the financial statements of Goodman UK Limited ("the company") for the year ended 30 June 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and related notes, including the 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 2020 and of its loss 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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. 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. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and 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.

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 set out on page 10, 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.

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

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.



Julie Searle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Birmingham
B4 6GH
30 June 2021

Goodman UK Limited
Statement of comprehensive income
Year ended 30 June 2020

	Note	2020 £	2019 £
Turnover	4	–	75,310
Cost of sales		–	(17,386)
Gross profit		–	57,924
Administrative expenses		(815,369)	(1,106,272)
Other operating income	5	73,665	400,117
Operating loss	6	(741,704)	(648,231)
Other interest receivable and similar income	9	722,900	100,451
Loss before taxation		(18,804)	(547,780)
Tax on loss	10	3,217	–
Loss for the financial year		(15,587)	(547,780)
Actuarial movement		(5,257,000)	483,000
Deferred tax		894,910	(638,960)
Other comprehensive income for the year		(4,362,090)	(155,960)
Total comprehensive income for the year		(4,377,677)	(703,740)

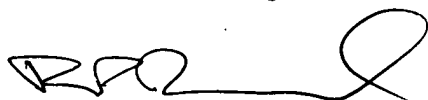
All the activities of the company are from continuing operations.

The notes on pages 16 to 30 form part of these financial statements.

Goodman UK Limited
Statement of financial position
30 June 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	601,588	–
Investments	12	45,620,003	45,620,002
		<u>46,221,591</u>	<u>45,620,002</u>
Current assets			
Debtors	13	50,587,388	65,258,374
Cash at bank and in hand		35,205	4,018
		<u>50,622,593</u>	<u>65,262,392</u>
Creditors: amounts falling due within one year	14	<u>(9,258,647)</u>	<u>(23,525,259)</u>
Net current assets		<u>41,363,946</u>	<u>41,737,133</u>
Total assets less current liabilities		<u>87,585,537</u>	<u>87,357,135</u>
Provisions	15	<u>(969,079)</u>	<u>–</u>
Net assets excluding defined benefit pension plan liability		<u>86,616,458</u>	<u>87,357,135</u>
Defined benefit pension plan liability	17	<u>(13,831,000)</u>	<u>(10,194,000)</u>
Net assets		<u><u>72,785,458</u></u>	<u><u>77,163,135</u></u>
Capital and reserves			
Called up share capital	18	92,281,604	92,281,604
Share premium account	19	24,002,315	24,002,315
Capital contribution	19	22,302,562	22,302,562
Defined benefit actuarial reserve	19	(18,979,291)	(14,617,201)
Profit and loss account	19	(46,821,732)	(46,806,145)
Shareholder funds		<u><u>72,785,458</u></u>	<u><u>77,163,135</u></u>

These financial statements were approved by the board of directors and authorised for issue on 29 June 2021, and are signed on behalf of the board by:



R P Reed
Director

Company registration number: 3625138

The notes on pages 16 to 30 form part of these financial statements.

Goodman UK Limited
Statement of changes in equity
Year ended 30 June 2020

	Called up share capital £	Share premium account £	Capital contribution £	Defined benefit actuarial reserve £	Profit and loss account £	Total £
At 1 July 2018	92,281,604	24,002,315	22,302,562	(14,461,241)	(46,258,365)	77,866,875
Loss for the year					(547,780)	(547,780)
Other comprehensive income for the year:						
Actuarial movement	–	–	–	483,000	–	483,000
Deferred tax	–	–	–	(638,960)	–	(638,960)
Total comprehensive income for the year	–	–	–	(155,960)	(547,780)	(703,740)
At 30 June 2019	92,281,604	24,002,315	22,302,562	(14,617,201)	(46,806,145)	77,163,135
Loss for the year					(15,587)	(15,587)
Other comprehensive income for the year:						
Actuarial movement	–	–	–	(5,257,000)	–	(5,257,000)
Deferred tax	–	–	–	894,910	–	894,910
Total comprehensive income for the year	–	–	–	(4,362,090)	(15,587)	(4,377,677)
At 30 June 2020	<u>92,281,604</u>	<u>24,002,315</u>	<u>22,302,562</u>	<u>(18,979,291)</u>	<u>(46,821,732)</u>	<u>72,785,458</u>

The notes on pages 16 to 30 form part of these financial statements.

Goodman UK Limited
Notes to the financial statements
Year ended 30 June 2020

1. General information

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

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 £41,363,946 (30 June 2019: £41,737,133) and net assets of £86,616,458 (30 June 2019: £87,357,135) 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 £5,693,912 at 30 June 2020 and £5,488,607 at 31 May 2021, 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 2020

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 17 employee benefits.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

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.

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2020

3. Accounting policies *(continued)*

Corporation tax *(continued)*

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.

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
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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 2020

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.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

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.

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2020

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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.

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. Turnover

Turnover arises from:

	2020	2019
	£	£
Rental and service charge income	—	75,310

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2020

5. Other operating income

	2020 £	2019 £
Rental income	135,699	–
Management charges receivable	61,000	–
(Loss)/gain on disposal of investment property	(123,034)	400,117
	<u>73,665</u>	<u>400,117</u>

6. Operating profit

Operating profit or loss is stated after charging:

	2020 £	2019 £
Depreciation of tangible assets	15,431	–
Operating lease rentals	<u>177,486</u>	<u>–</u>

7. Auditor's remuneration

	2020 £	2019 £
Fees payable for the audit of the financial statements	<u>3,935</u>	<u>3,820</u>

Auditor's remuneration was borne by another group company in both years. There were no non-audit fees (30 June 2019: £nil).

8. Directors' emoluments

The emoluments of Mr J M Cornell, Mr P C Ralston and Mr R P Reed were paid by Goodman Real Estate Adviser (UK) Limited up until 31 March 2020 and thereafter paid from Goodman Logistics Developments (UK) Limited, both companies are ultimately controlled by Goodman Limited. The emoluments of Mr M J O'Sullivan were paid by Goodman Property Services (Aust) Pty Limited and those of Mr C E Crossland by Goodman Logistics Developments (UK) Limited, all being fellow subsidiaries 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.

9. Other interest receivable and similar income

	2020 £	2019 £
Interest on cash and cash equivalents	464	1,309
Interest from group undertakings	50,665	99,142
Foreign exchange gain	40,670	–
Other interest receivable and similar income	<u>631,101</u>	<u>–</u>
	<u>722,900</u>	<u>100,451</u>

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2020

10. Tax on loss

Major components of tax income

	2020 £	2019 £
Current tax:		
Adjustments in respect of prior periods	(3,217)	–
Tax on loss	<u>(3,217)</u>	<u>–</u>

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020 £	2019 £
Loss on ordinary activities before taxation	(18,804)	(547,780)
Loss on ordinary activities by rate of tax	(3,573)	(104,078)
Adjustment to tax charge in respect of prior periods	(3,217)	–
Effect of expenses not deductible for tax purposes	(284,175)	(617,072)
Effect of capital allowances and depreciation	(1,635)	–
Effect of revenue exempt from tax	–	(75,754)
Unused tax losses	18,727	796,904
Group relief (claimed)/surrendered	270,656	–
Tax on loss	<u>(3,217)</u>	<u>–</u>

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. 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 2020 was calculated at 19% (30 June 2019: 17%). 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 £997,783 (30 June 2019: £1,438,369) in respect of tax losses has not been recognised on the basis that there is uncertainty over the ability to recover its benefit.

Goodman UK Limited
Notes to the financial statements *(continued)*
Year ended 30 June 2020

11. Tangible assets

	Fixtures and fittings £
Cost	
At 1 July 2019	–
Additions	<u>617,019</u>
At 30 June 2020	<u>617,019</u>
Depreciation	
At 1 July 2019	–
Charge for the year	<u>15,431</u>
At 30 June 2020	<u>15,431</u>
Carrying amount	
At 30 June 2020	<u>601,588</u>
At 30 June 2019	<u>–</u>

12. Investments

	Shares in group undertakings £	Other investments other than loans £	Total £
Cost			
At 1 July 2019	106,370,230	25,310,601	131,680,831
Additions	1	–	1
Transfers	<u>25,310,601</u>	<u>(25,310,601)</u>	<u>–</u>
At 30 June 2020	<u>131,680,832</u>	<u>–</u>	<u>131,680,832</u>
Impairment			
At 1 July 2019	60,750,228	25,310,601	86,060,829
Transfers	<u>25,310,601</u>	<u>(25,310,601)</u>	<u>–</u>
At 30 June 2020	<u>86,060,829</u>	<u>–</u>	<u>86,060,829</u>
Carrying amount			
At 30 June 2020	<u>45,620,003</u>	<u>–</u>	<u>45,620,003</u>
At 30 June 2019	<u>45,620,002</u>	<u>–</u>	<u>45,620,002</u>

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2020

12. Investments *(continued)*

Shares in group undertakings

Subsidiary undertakings	Registered office	Class of Percentage of share shares held	
		Ordinary shares	100
Goodman Operator (UK) Limited	Nelson House Central Boulevard Blythe Valley Park Solihull West Midlands B90 8BG	Ordinary shares	100
Goodman Logistics Management (UK) Limited	Nelson House Central Boulevard Blythe Valley Park Solihull West Midlands B90 8BG	Ordinary shares	100
Goodman Eastside Locks (UK) Ltd	Nelson House Central Boulevard Blythe Valley Park Solihull West Midlands B90 8BG	Ordinary shares	100
Goodman Bidco 3 (UK) Limited	Nelson House Central Boulevard Blythe Valley Park Solihull West Midlands B90 8BG	Ordinary shares	100
Goodman Real Estate Services (UK) Limited	Nelson House Central Boulevard Blythe Valley Park Solihull West Midlands B90 8BG	Ordinary shares	100
Ancosec Limited	Nelson House Central Boulevard Blythe Valley Park Solihull West Midlands B90 8BG	Ordinary shares	100

Goodman UK Limited
Notes to the financial statements *(continued)*
Year ended 30 June 2020

12. Investments *(continued)*

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

On 31 March 2020, the company acquired the remaining 50% of Goodman European Business Park Fund (Lux) S.à r.l. for £1.

During the year the company acquired 100% of the share capital in Ancosec Limited and Goodman UK Pension Plan Trustees Limited. These were acquired for £nil consideration from a subsidiary within the Goodman UK Limited group. These investments are considered to be fully impaired on acquisition.

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..

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 property development.

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 2020

13. Debtors

	2020	2019
	£	£
Trade debtors	312,377	–
Amounts owed by group undertakings	44,776,656	60,967,481
Deferred tax asset	2,627,890	1,732,980
Prepayments and accrued income	1,196,570	21,580
Other debtors	1,673,895	2,536,333
	<u>50,587,388</u>	<u>65,258,374</u>

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

14. Creditors: amounts falling due within one year

	2020	2019
	£	£
Amounts owed to group undertakings	5,693,912	19,590,870
Accruals and deferred income	3,290,828	3,931,172
Corporation tax	–	3,217
Lease incentives received	273,907	–
	<u>9,258,647</u>	<u>23,525,259</u>

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

15. Provisions

	Onerous contracts
	£
At 1 July 2019	–
Additions	982,539
Charge against provision	(13,460)
At 30 June 2020	<u>969,079</u>

Onerous contracts

At 30 June 2020, an operating lease contract was assessed to have the aggregate cost required to fulfill the contract to be higher than the economic benefit to be obtained from it. The operating lease contract term ends on March 2022. The onerous contract will be amortised over the remaining period.

In September 2020, the operating lease was surrendered and the provision was released.

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2020

16. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2020	2019
	£	£
Included in debtors (note 13)	<u>2,627,890</u>	<u>1,732,980</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2020	2019
	£	£
Pension plan obligations	<u>(2,627,890)</u>	<u>(1,732,980)</u>

17. 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 1.50% (30 June 2019: 2.3%).

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

	2020	2019
	£	£
Present value of defined benefit obligations	(59,964,000)	(56,059,000)
Fair value of plan assets	<u>46,133,000</u>	<u>45,865,000</u>
	<u>(13,831,000)</u>	<u>(10,194,000)</u>

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

	2020
	£
At 1 July 2019	56,059,000
Interest expense	1,206,000
Benefits paid	(2,359,000)
Remeasurements:	
Actuarial gains and losses	<u>5,058,000</u>
At 30 June 2020	<u>59,964,000</u>

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2020

17. Employee benefits *(continued)*

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

	2020 £
At 1 July 2019	45,865,000
Benefits paid	(2,359,000)
Contributions by employer	1,834,000
Remeasurements:	
Actuarial gains and losses	(199,000)
Return on plan assets, excluding amount included in interest income	992,000
At 30 June 2020	46,133,000

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

	2020 £	2019 £
Recognised in profit or loss:		
Past service credit	–	411,000
Net interest (income)/expense	(214,000)	309,000
	<u>(214,000)</u>	<u>720,000</u>

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

	2020 £	2019 £
Equity instruments	20,901,000	17,482,000
Debt instruments	8,800,000	18,259,000
Property	2,900,000	3,495,000
Cash and cash equivalents	6,953,000	2,567,000
Annuities	4,062,000	4,062,000
Diversified credit fund	1,626,000	–
LDI	891,000	–
	<u>46,133,000</u>	<u>45,865,000</u>

The return on plan assets are as follows:

	2020 £	2019 £
Return on assets of benefit plan	<u>1,374,000</u>	<u>4,981,000</u>

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

	2020 %	2019 %
Discount rate	1.50	2.30
Expected rate of increase in pensions	1.80	2.30
Inflation assumption	2.80	3.20
Mortality rates:		
Current pensioners at 65 - male	21.70	21.30
Current pensioners at 65 - female	24.00	23.20
Future pensioners at 65 - male	22.70	22.30
Future pensioners at 65 - female	<u>25.20</u>	<u>24.40</u>

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2020

18. Called up share capital

Issued, called up and fully paid

	2020		2019	
	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>

19. 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.

20. Operating leases

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

	2020	2019
	£	£
Not later than 1 year	1,982,341	—
Later than 1 year and not later than 5 years	2,516,988	—
Later than 5 years	1,109,483	—
	<u>5,608,812</u>	<u>—</u>

In September 2020, the company surrendered an operating lease with an annual rental of £1,665,346. This lease is included in the above analysis at a total of £2,914,354.

21. 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.

22. 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.

Goodman UK Limited

Notes to the financial statements *(continued)*

Year ended 30 June 2020

23. 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.