IQL North Limited

Annual Report and Accounts
31 March 2023

Company registration number 12549119

CONTENTS

The Company and its advisers

Directors

P Hawthorne
A Peelo
R G Willis

Registered office and business address

20 Cranbourn Street
London
WC2H 7AA

Auditors

Mazars LLP
30 Old Bailey
London
EC4M 7AU

Directors' Report

For the period ended 31 March 2023

The directors present their annual report on the affairs of IQL North Ltd (the 'Company') together with the financial statements and the auditors' report for the financial period ended 31 March 2023.

Principal activity and business review

The Company did not trade during the period. Any administrative costs for the year were borne by the parent undertaking, LCR. The principal activity of the company following the sale of the land interest at IQL North, is to hold a receivable from LCR in respect of the sales of the asset and a payable to LCR Stratford LP in respect of the members loan.

In the previous period, on 4 February 2022, the Company sold its interest in International Quarter London (IQL) North lands for £53,499,389.

The funds were paid by way of bank transfer to its ultimate shareholder, London & Continental Railways Ltd (LCR).

On 31 March 2022, the Company declared an interim dividend of £24,341,655 with the LCR Stratford Limited Partnership receiving £24,341,655.

The whole amount payable in respect of the interim dividend was set off against the funds held on trust by LCR.

The principal activity of the company during the period prior to the sale was the ownership of property at IQL North as an investment which it was seeking to develop. The property was acquired from Stratford City Business District Ltd (SCBDL), an IQL Joint Venture between LCR and Lendlease. The background to the investment is set out below.

On 6 April 2020, the LCR Stratford Limited Partnership (LCRSLP) acquired a 50% interest in the newly incorporated IQL North Ltd for £1 and the Lendlease Stratford Limited Partnership acquired a 50% interest for £1.

On 17 April 2020, the freehold interest in land at IQL North was transferred from SCBD Ltd to IQL North Ltd for £22,355,772 plus VAT of £4,471,154, on which the Company paid Stamp Duty Land Tax of £1,339,047. The transfer was funded by a loan from SCBDL The VAT was subsequently reclaimed from HMRC through the Company's VAT return.

In the period to 30 June 2020 the Company incurred development costs of £1,275,383 and interest on the loan from SCBDL of £209,798.

Principal activity and business review (continued)

On 1 July 2020 LCRSLP made a loan to IQL North Ltd of £12,229,999, and a capital contribution of £360,000; and the Lendlease Stratford Limited Partnership also made a loan to IQL North Ltd of £12,229,999, and a capital contribution of £360,000.

On 1 July 2020 LCRSLP purchased Lendlease's 50% interest in IQL North Ltd for £12,230,000.

Results for the year

The Company did not trade during the period.

In the previous period the Company received sales proceeds of £53,499k on the sale of its interest in IQL North lands and after deducting the fair value of £17,449k this gave a gross profit of £36,050k.

The Company also received rental income of £95k, and incurred property costs and legal and consultancy fees of £102k giving an operating loss of £7k.

The total profit before tax was £36,043k. There was an overall tax charge of £4,698k comprising a current tax charge of £3,040k and deferred tax charge of £1,658k, resulting in a profit for the year after tax of £31,345k.

The Company declared a dividend in the prior year of £24,341,655.

UK economy

The changing economic environment, and the outlook for the UK property market, consequent upon the UK's decision to leave the EU has remained an area of focus for the Board throughout the period. The company has sought to mitigate any potential economic risk.

Going concern

The financial statements are prepared on a going concern basis in accordance with applicable accounting standards. The Directors consider the going concern basis to be appropriate because the Company is a wholly owned subsidiary of London and Continental Railways Limited which has significant cash reserves to settle its obligations. Further details regarding the adoption of a going concern basis can be found in the significant accounting policies section within the notes to the financial statements.

Financial risk management objectives and policies

The Company's activities expose it to several financial risks including market risk, credit risk and operational risk.

The Company has established a comprehensive framework for managing these risks which are continually evolving as business activities change in response to market, credit and other developments.

Market risk

Market risk is primarily attributable to the factors that affect the entire market or class of assets. It is closely associated with the economy and interest rate. Changes in the economy might affect disposable income of customers and the level of rental income negotiated in lease agreements. The Company does not have direct exposure to interest rate fluctuations. The risk is mitigated by engagement of property managers who are experienced in evaluating rental deals in line with the economy.

Credit risk

The credit risk is primarily attributable to trade and other receivables. Amounts presented in the statement of the financial position are net of any allowances for doubtful receivables. Credit risk is the risk arising from the possibility that the Company will incur losses from the failure of customers to meet their obligations. However, the Company has no significant concentration of credit risk. The Company's parent, London and Continental Railways Limited (LCR) is acting as agent by collecting rent and paying expenses for its investment properties. LCR credit control is managed by property agents on a day-to-day basis. LCR monitors cash collection and debtor ageing to ensure assets are safe guarded.

Performance bonuses for the agents have been put in place to incentivise them to collect all debts on time, with any debts over 90 days reviewed by management at the end of each period.

The Company structures the level of credit risk by placing a credit limit on the amount of credit risk accepted, which is monitored on a regular basis. Management has additional policies in place to secure trade receivables from its tenants by, in some instances, requiring bank guarantees or financial deposits.

Operational risk

This is the risk of loss arising from inadequate or failed internal processes or systems, human error or external events.
Operational risk is managed by senior management having responsibility for understanding how operational risk impacts their business area and for putting in place appropriate controls and other mitigating factors.

Liquidity risk

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. As the Company is part of the Group liquidity risk is managed at the Group level. The Board of Directors reviews a five-year rolling cash flow forecast for the core Group activities.

Directors

The directors who served during the period are as follows:

P Hawthorne
A Peelo
R G Willis

Small Companies Note

In preparing this report, the Directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board and signed on its behalf by:

P Hawthorne
Director

1 August 2023

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable UK law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). 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 Company and of the profit or loss for that period.

In preparing those 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; and
state whether applicable UK Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
notify its shareholders in writing about the use of disclosure exemption, if any, of FRS 101 used in the preparation of the financial statements;
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of IQL North Limited

Opinion

We have audited the financial statements of IQL North Limited (the 'company') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Cash Flow Statement, the Statement of Changed in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework".

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Independent auditor's report to the members of IQL North Limited (continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Independent auditor's report to the members of IQL North Limited (continued)

Matters on which we are required to report by exception

- In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of IQL North Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: tax legislation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Independent auditor's report to the members of IQL North Limited (continued)

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to

Independent auditor's report to the members of IQL North Limited (continued)

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.

Richard Metcalfe (Aug 2, 2023 14:01 GMT+1)

Richard Metcalfe (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU
Date: Aug 2, 2023

Statement of Comprehensive Income

	Note	2023 £'000	2022 £'000
Revenue	5	-	53,594
Less:			
Cost of sale / operating costs	6	-	(17,551)
Gross profit		**-**	**36,043**
Financial expense		-	-
Gross profit		**-**	**36,043**
Revaluation of investment property		-	-
Profit before income tax		**-**	36,043
Income tax credit/(expense)	7	35	(4,698)
Profit for the year		**35**	**31,345**
Other comprehensive income		-	-
Total comprehensive income for the year		**35**	**31,345**

Statement of Financial Position

As at 31 March 2023

	Note	31 March 2023 £'000	31 March 2022 £'000
FIXED ASSETS			
Investment property	8	-	-
CURRENT ASSETS			
Debtors – due from LCR Ltd		25,215	25,180
Deferred tax	7	-	-
TOTAL ASSETS		25,215	25,180
Creditors: amounts falling after more than one year	9	(24,460)	(24,460)
NET ASSETS		755	720
CAPITAL AND RESERVES			
Called up share capital & capital contribution	10	720	720
Retained earnings		35	-
		755	720

The notes on pages 18 to 27 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 1 August 2023 and were signed on its behalf by:

P Hawthorne
Director

IQL NORTH LIMITED
Registered number 12549119

Cash Flow Statement

The Company does not have cash flows.

The Company's parent, London and Continental Railways Ltd collects income and pays all expenses on behalf of the Company. This is reflected by movements in the inter-company transactions.

Statement of Changes in Equity
for the period ended 31 March 2023

	Notes	Share Capital £	Retained Earnings £	Total Equity £
Balance as at 1 April 2021		720,002	(7,003,150)	6,283,148
Comprehensive income:				
Profit for the period		-	31,44,805	31,344,805
Dividend to LCR Stratford LP		-	(24,341,655)	(24,341,644)
Balance as at 31 March 2022		720,002	-	720,002
Balance at 1 April 2022		720,002	-	720,002
Comprehensive income:				
Profit for the period		-	35,000	35,000
Dividend to LCR Stratford LP		-	-	-
Balance at 31 March 2023		720,002	35,000	755,002

The notes on pages 18 to 27 form an integral part of these financial statements.

Notes to the Financial Statements

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of IQL North Limited for the period ended 31 March 2023 were authorised for issue by the Board of Directors on 21 July 2023 and the Statement of Financial Position was signed on the board's behalf by P Hawthorne.

The Company is a private company limited by shares incorporated and domiciled in England and Wales.

Its registered office address is 20 Cranbourn Street, London, United Kingdom WC2H 7AA.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The Company is a wholly owned subsidiary of London & Continental Railways Limited and its financial results are included in the consolidated financial statements of London & Continental Railways Ltd which are available from 20 Cranbourn Street, London, United Kingdom WC2B 4AN. The principal accounting policies are adopted by the Company are set out in note 2.

2. Significant Accounting Policies

a) Basis of preparation

The Company's accounts for this first period since incorporation are prepared in accordance with FRS 101.

The accounting policies which follow set those which apply in preparing the financial statements for the period ended 31 March 2023.
The Company has taken advantage of the following disclosure exemptions under FRS 101:

- IAS 8 IFRS issued but not adopted
- IFRS 7 Financial instruments other than for those instruments where these disclosures are still required to comply with the law

Notes to the Financial Statements (*continued*)

2. Significant Accounting Policies (*continued*)

- IFRS 13 Fair value measurement other than for those instruments where these disclosures are still required to comply with the law
- IAS 24 Related party disclosure
- IAS 1 Comparatives information for movement on share capital and investment property

The accounting policies are set out below and have, unless otherwise stated, been applied consistently to the period presented in these consolidated financial statements.

b) Financial Instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instruments. All Company's financial instruments are measured at amortised cost due to nature of the instruments.

Trade receivables and other receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Provision for impairment is calculated as a percentage of debtors outstanding over a period of 60 days which are deemed to be irrecoverable. The company undertook the review of bad debts as prescribed by IFRS 9, where a provision for impairment is recognised using matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables was assessed. This probability was then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. The method adopted by the company provided results not materially different to results achieved by applying IFRS 9 guidance and therefore the company's policy remained appropriate. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income of the parent company, when there is objective evidence that the asset is impaired.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Notes to the Financial Statements (*continued*)

2. Significant Accounting Policies (*continued*)

c) Revenue recognition

Rental income from operating leases is recognised on a straight-line basis over the lease term and is included in revenue in the income statement. Rental income is invoiced either monthly or quarterly in advance for all rental income that relates to a future period this is deferred and appears within current liabilities. Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the lease term.

Income arising from expenses recharged to tenants is recognised in the period in which the compensation becomes receivable. Service and insurance charges are recognised in revenue gross, as the Directors consider that the company acts as principal in this respect.

d) IFRS 15: Revenue from contracts with customers

IFRS 15 has replaced IAS 18 'Revenue' and IAS 11 'Construction Contracts'. Most of the Group's revenue is derived from leases that are outside the scope of IFRS 15 and accordingly the adoption has not had a material impact.

e) Income tax

Income tax on the profit or loss for the year comprises current tax and deferred tax.

Current tax is the tax expected to be payable on the taxable profit for the year calculated using tax rates enacted.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the statement of financial position and the amount attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated using the tax rates expected to apply in the year in which the assets will be realised or the liabilities settled.

f) Investment property

Investment property is held at fair value and revalued annually on an open market basis by professional external surveyors.

Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for carrying amounts in the financial statements.

Notes to the Financial Statements (*continued*)

2. Significant Accounting Policies (*continued*)

f) Investment properties (*continued*)

When property is revalued, charges are taken to the statement of comprehensive income. No depreciation is provided in respect of investment property.

g) Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases.

The Company leases out (as an operating lease) property that it owns. The assets are included in the statement of financial position as investment property. Rental and service charge income is recognised in accordance with the rental income policy in note 2 (c).

h) IFRS 16

The Directors assessed that the adoption of the standard has no impact on the Company's financial statements as the Company does not hold any operating leases as a lessee.

i) Going Concern

The financial statements are prepared on a going concern basis in accordance with applicable accounting standards. The Directors have carried out a review of the LCR Group business plan and are satisfied that the accounts are prepared on a going concern basis.

The Directors also consider the going concern basis to be appropriate because the Group has adequate cash reserves to settle its obligations when they fall due.

3. Critical Accounting Policies - Estimates and Judgements

The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of the company's accounting policies, and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Notes to the Financial Statements (*continued*)

4. Audit Fee

An audit fee of £7k was payable for the period. This was borne by the Company's parent. There were no non-audit services from the auditor.

5. Revenue

	Year ended 31 March	
	2023	**2022**
	£'000	**£'000**
Sale of IQL North lands	-	53,499
Rental income	-	95
Service charge income	-	-
Total revenue	**-**	**53,594**

The whole of the revenue is attributable to the activities of the Company wholly undertaken in the United Kingdom.

6. Cost of Sales / Operating Costs

	Year ended 31 March	
	2023	**2022**
	£'000	**£'000**
Property cost of sales	-	17,449
Property costs	-	100
Legal and consultancy fees	-	2
Total cost of sales / operating costs	**-**	**17,551**

7. Taxation

IQL North Ltd is assessed in accordance with the Taxes Acts.

The income tax (credit) / expenses based on the profit for the year is as follows:

	Year ended 31 March	
	2023	**2022**
	£'000	**£'000**
Current tax at 19% (2022: 19%)	(35)	3,040
Deferred tax at 25% (2022: 25%)	-	1,658
Total tax expense/(credit) for the year	**(35)**	**4,698**

Notes to the Financial Statements (*continued*)

7. Taxation (continued)

The income tax (credit) / expense can be reconciled to the profit / (loss) per the statement of comprehensive income as follows:

	Year ended 31 March 2023 £'000	2022 £'000
Profit/(loss)before income tax	-	36,043
Tax at the UK corporation tax rate of 19% (2021: 19%)	-	6,848
Creation / (utilisation) of tax losses	-	(12)
Group relief claimed for no payment	-	(2,163)
Prior year adjustment	(35)	-
Income tax expense/(credit) for the year	**(35)**	**4,698**

The deferred tax position recognised in the current and prior year statement of financial position and the movement in the period are as follows:-

	Investment property £'000
At 1 April 2022 – deferred tax asset	-
Charge to income	-
At 31 March 2023	-

8. Investment Property

	Period ended 31 March 2023 £'000	2022 £'000
Opening	-	16,950
Additions	-	499
Disposal		(17,449)
Closing	-	-

Notes to the Financial Statements (*continued*)

8. Investment Property (continued)

In the prior year, the property was recorded at fair value as advised by independent valuers.

Investment property is valued at each accounting date by the Company's independent valuers, Avison Young (formerly GVA), in accordance with 'The RICS Valuation- Professional Standards (2020)'. Valuations are undertaken on the basis of the market value of each site, taking into account where appropriate the current use and planning conditions.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

The Company has concluded that the investment properties should be categorised as Level 3 fair value based on the inputs to the valuation technique used.

Transfers between levels are deemed to have occurred on the date of the event or the change in circumstance that caused the transfer. There was no movement or transfer
between level 1, level 2, level 3 investments during the year ended 31 March 2020 (2019: none).

Notes to the Financial Statements (*continued*)

8. Investment Property (*continued*)

Valuation technique and significant unobservable inputs:

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Redbook valuation in accordance with the 'RICS Valuation-Profession Standards (2020).	Void periods (0 to 24 months) Occupancy rate (0 to 100%) Rent-free periods (0 to 24 months) Initial yield (4 to 13%).	The estimated fair value would increase (decrease) if: Void periods were shorter (longer); The occupancy rates were higher (lower); Rent-free periods were shorter (longer); or The initial yield was lower (higher).

9. Non-Current Liabilities

Amounts falling after more than one year:

	For the year ended 31 March 2022 £'000	For the period ended 31 March 2022 £'000
Amounts due to LCR & LCR Stratford Limited Partnership	24,460	24,460
Total	24,460	24,460

Notes to the Financial Statements (*continued*)

10. Share Capital

Ordinary shares carry voting rights, but no right to fixed income.

	For the year ended 31 March 2023 £'000	For the period ended 31 March 2022 £'000
Allotted and issued:		
720,002 ordinary shares of £1 each	720,002	720,002

11. Parent Undertaking

The Company is a wholly owned subsidiary of London and Continental Railways Limited (LCR), which produces consolidated financial statements. The financial statements for LCR can be obtained from 20 Cranbourn Street, London, WC2B 4AN.

The Company's ultimate parent is the Secretary of State for Transport.

12. Contingent Assets and Liabilities

There are no contingent assets or liabilities (year ended 31 March 2022: £nil).

13. Employees

The Company did not employ any staff directly during the period ended 31 March 2023 (31 March 2022: nil).

14. Post Statement of Financial Position Event

There have been no significant post statement of financial position events requiring disclosure.

15. Related Party Disclosures

The Company took advantage of exemption available under IAS 24 not to disclose transactions with the parent company on the basis that is a wholly owned subsidiary of LCR for which group financial statements are publicly available.

Notes to the Financial Statements (*continued*)

16. Directors' compensation

The directors of the Companies are employees of the parent company, London and Continental Railways Limited (LCR). They do not receive remuneration directly from IQL North Limited for their roles. Their remuneration can be found in LCR's financial statements.