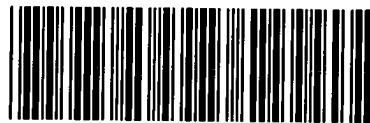


Company Registration No:
08326708

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

LOGICOR EUROPE LTD

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Logicor Europe Ltd

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Logicor Europe Ltd

COMPANY INFORMATION

Directors	Simon Clinton Sheena Singla Michael Slattery
Company Secretary	Intertrust (UK) Limited
Registered Office	4 th Floor 30 Broadwick Street London England W1F 8JB
Company Number	08326708
Auditor	Deloitte LLP Statutory Auditor 1 New Street Square London United Kingdom EC4A 3HQ

Logicor Europe Ltd

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Principal activities

The principal activities of Logicor Europe Ltd (the "Company") are to provide consultancy services to logistics property companies throughout Europe, asset management services to logistics property companies in the United Kingdom, and strategic advice to the parent companies of the Logicor Group. The logistics property companies include affiliated property companies in the Logicor Group ("Logicor", the "Logicor Group"), a wider group of Eurocor II S.à r.l., Eurocor III S.à r.l. and their subsidiaries, of which the Company is a member.

Review of the business

The profit for the year, after taxation, amounted to £538,549 (2021: £2,997,713). The operating profit before interest and taxation amounted to £3,326,762 (2021: £3,828,359).

In the year ended 31 December 2022, asset management fees, consultancy fees and service fees were charged by the Company to the Logicor Group. Asset management fees of £9,694,392 (2021: £7,173,690) are charged based on an attributable cost plus a 5% mark-up and are allocated based on the size of the property being managed. Consultancy fees of £20,611,260 (2021: £15,552,217) are charged by the Company based on a 5% mark-up on its head office costs. Service fees of £6,895,785 (2021: £5,265,643) are charged to the parent companies of the Logicor Group with a mark-up of 10% on attributable costs.

The Company also generated £2,037,061 (2021: £2,476,775) from asset management and transaction fees on third-party Assets under Management in the United Kingdom. These are from transactions with a related party and have been disclosed in Note 18 of the financial statements.

Key performance indicators

	2022	2021	
EBITDA (%)	18%	22%	EBITDA is the ratio of earnings before interest, tax and depreciation to revenue expressed as a percentage. It remains an essential indicator of operational performance and profitability of the Company's activities with the Logicor Group. EBITDA continues to be monitored to provide a measure of financial performance.

Section 172 statement

Section 172 of the Companies Act requires company Directors to "act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole". Specifically, management must consider:

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

As a leading owner and operator of European logistics real estate, the Logicor Group has an important role to play in building a sustainable future for the benefit of society. Logicor believes acting responsibly is vital to the long-term success of its business and will benefit stakeholders impacted by our activities. Logicor is committed to embedding policies and practices into its day-to-day operating activities to promote these beliefs.

The following paragraphs present in detail how the Directors of Logicor Europe Ltd demonstrate adherence to the requirements of Section 172.

The likely consequences of any decision in the long term

In managing Logicor Europe Ltd, the Directors take a long-term approach in ensuring the success of the business. Internally produced budgets, forecasts and other documentation take a multi-year view, incorporating relevant financial and economic data.

Logicor Europe Ltd

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172 statement (continued)

The interests of the Company's employees

The Company's approach to promoting the interests of employees is built around three key areas: engagement through regular employee surveys; promoting responsible conduct throughout the Company - embedded via regular training sessions; and fostering a learning and development culture built around long-term employee aspirations.

The Company continues to make available to employees and employees in the wider Logicor Group a number of resources aimed at promoting physical and mental wellbeing.

The need to foster the Company's business relationships with suppliers, customers and others

The Company, as part of the wider Logicor Group, is working hard to deepen relationships with its top suppliers across markets and industries including construction, property management and professional services. As part of this programme, Logicor is raising awareness of its sustainability priorities via a number of channels including the publication of informative materials and guidance on ethical business conduct standards, with which it expects its suppliers to align.

Logicor is publicly committed to supporting the interests of the local communities in which it operates. Wherever possible, Logicor actively seek to learn about and share best practices with its customers and suppliers for community gain. Through membership of the UK Green Building Council and the Better Buildings Partnership, Logicor is committed to sharing and learning sustainability best practices, encouraging wider communities and players in the market to make a positive impact on the environment

The impact of the Company's operations on the community and the environment

Logicor's environmental and sustainability approach focuses on increasing the positive impact of its operations over the long term, as well as engaging with its customers and suppliers to positively enhance the impact of their operations. Logicor's actions not only reflect its commitment to sustainability but also aim to drive improved performance for all stakeholders.

Across the Company's and its subsidiaries' offices, employees are actively involved in running sustainability schemes to recycle waste and reduce consumption of energy and water. The Company, as part of the wider Logicor Group is also taking steps to embed sustainability in its activities and operations, including engaging with and raising awareness with employees, suppliers and customers, improving data collection and the monitoring of data to inform our sustainability initiatives.

In addition, throughout 2022, 2 employees of the Company and the wider Logicor Group have also engaged in a number of charitable activities supporting the local communities in which we operate.

The desirability of the Company maintaining a reputation for high standards of business conduct

Strong governance, based on responsible leadership, senior accountability and open reporting, has always been integral to Logicor's operations. Commitment to the highest standards of responsible business conduct starts with the management team, which is directly responsible for ensuring that all employees always operate in line with Logicor's values – working together to achieve its business goals through excellence, honesty and open, collaborative relationships.

To ensure rigour and discipline, Logicor has in place a set of policies and procedures, systems and controls which apply to the company and which guide and direct employees in all areas of the business, from customer relationships and asset management to managing risk, sustainability and employees.

Mandatory training is required to be completed by all employees on these areas of business conduct. These policies are regularly reviewed, and where appropriate, strengthened across the Logicor Group.

Logicor Europe Ltd

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172 Statement (continued)

The need to act fairly between members of the Company

The Company has a single member, and is a wholly owned subsidiary of Logicor Europe Holdings S.à r.l.

Principal risks and uncertainties

Financial risks in the company, including counter-party risk, are included in the Directors' Report on Page 6. There are no principal risks affecting the entity.

Future developments

The Company services logistics and industrial property owners across most major European logistics markets and does not expect to materially expand the current number of locations in 2023.

Research and Development

The Company has not had any Research & Development activities during the year ended 2022.

Approved by the Board and signed on its behalf by:


Simon Clinton (Oct 27, 2023 17:35 GMT+1)

Simon Clinton
Director
27 October 2023

4th Floor
30 Broadwick Street
London
England
W1F 8JB

Logicor Europe Ltd

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present the Annual Report and the audited financial statements for the year ended 31 December 2022.

In accordance with s414(C) (11) of the Companies Act, included in the Strategic Report is information relating to, business relationships, research and development, and future developments which would otherwise be required by Schedule 7 of the 'large and medium sized companies and groups (accounts and reports) regulation 2008' to be contained in a Directors' Report.

The Company has taken an exception in line with section 400 of the 2006 Act from preparing consolidated financial statements. The Company is a wholly owned subsidiary and is consolidated within the Logicor Group's parent financial statements being made publicly available and prepared under IFRS.

Results and distributions

The results for the year are shown on page 14. No dividends have been paid, declared or proposed in the current or in the prior year. The Directors recommend payment of no final dividend.

Financial risk management objectives and policies

Foreign currency risk

The Company's activities expose it to the financial risk of adverse movements in foreign exchange rates which can negatively impact the value of its receivables. At this time management do not consider this a significant risk.

Credit risk

The Company's principal financial assets are cash at bank, trade and other receivables, and investments in subsidiaries.

The Credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

Liquidity risk

To maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses long-term debt finance from its parent company.

Streamlined Energy and Carbon Reporting

Streamlined Energy and Carbon Reporting is disclosed in pages 9-10 of the financial statements.

Directors and Directors' interests

The following Directors held office during and after the year end unless otherwise stated:

Michael Slattery	Appointed 24 June 2019
Simon Clinton	Appointed 17 May 2018
Sheena Singla	Appointed 17 May 2018

None of the Directors hold beneficial interests in the ordinary share capital of the Company.

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which remain in force at the date of this report.

Logicor Europe Ltd

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, having taken all the steps the Directors ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

During the year, Deloitte LLP were reappointed as auditor of the Company for the year ended 31 December 2022.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Post balance sheet events

There have been no subsequent events requiring adjustments of the financial statements for the year ended 31 December 2022.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the signing of the financial statements. The Directors have made this assessment on the basis that the company will continue to generate income from related party entities that form part of the Logicor Group on a cost -plus basis, and with reference to the forecast cash flows of the Logicor Group in which this Company is consolidated. A letter of support has been supplied by the parent company stating that it will continue to provide financial support.

Further details regarding the adoption of the going concern basis can be found in Note 3: Accounting Policies.

Approved by the Board and signed on its behalf by:


Simon Clinton (Oct 27, 2023 17:35 GMT+1)
Simon Clinton
Director
27 October 2023

Logicor Europe Ltd

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

Logicor Europe Ltd

STREAMLINED ENERGY & CARBON REPORTING

The section below includes our reporting under the Streamlined Energy & Carbon Reporting requirements. The reporting period is the same as the Company's financial year, 1st January 2022 to 31st December 2022.

Organisation Boundary and Scope of Emissions

We have reported on all the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2018. These emission sources are included within the Company's financial statements.

An operational control approach has been used to define our organisational boundary. This is the basis for determining the Scope 1, Scope 2 and Scope 3 emissions for which the Company is responsible.

Methodology

The following methodology was applied in the preparation and presentation of this data:

- the Greenhouse Gas Protocol published by the World Business Council for Sustainable Development and the World Resources Institute (the "WBCSD/WRI GHG Protocol");
- application of appropriate emission factors to the Company's activities to calculate GHG emissions;
- scope 2 reporting methods – application of location-based and market-based emission factors for electricity supplies;
- inclusion of all the applicable Kyoto gases, expressed in carbon dioxide equivalents, or CO₂e;
- presentation of gross emissions as the Company does not purchase carbon credits (or equivalents); and
- presentation of annual energy use.

Absolute Emissions

The total Scope 1, 2 and Scope 3 GHG emissions from the Company's operations in the year ending 31st December 2022 were:

- 96.4 tonnes of CO₂ equivalent (tCO₂e) using a 'location-based' emission factor methodology for Scope 2 emissions; and
- 64.4 tonnes of CO₂ equivalent (tCO₂e) using a 'market-based' emission factor methodology for Scope 2 emissions.

Scope 1 emissions from onsite combustion of natural gas.

Scope 2 emissions from purchased electricity using the location-based and market-based methods.

Scope 3 emissions from air travel, rail travel and fuel for personal cars for business use.

Intensity Ratio

As well as reporting the absolute emissions, the Company's GHG emissions are reported below using a floor area-based intensity ratio. This was selected as the most appropriate metric given that most of the Company's emissions originate from the operation of its offices. The intensity metric has been calculated using Scope 1 and Scope 2 emissions only.

- 0.03 tCO₂e per square meter of occupied space using the location-based method;
- 0.01 tCO₂e per square meter of occupied space using the market-based method.

Target and Baselines

The Company's objective is to maintain or reduce its GHG emissions per square meter of occupied space each year; it will report on an annual basis whether it has been successful in this regard.

Logicor Europe Ltd

STREAMLINED ENERGY & CARBON REPORTING (continued)

The total absolute emissions have increased by 140.4% using the location-based method and by 182.4% using the market-based method. This is due to an increase in electricity consumption due to relocating head office functions and operating two offices simultaneously for a period due to fit out. Carbon related to transportation also increased year on year, this was due to a significant increase in the amount of air travel compared to 2021 due to relaxation of travel restrictions.

The intensity ratio in tonnes of CO₂e per square meter has remained the same as occupied office space area also increased in line with emissions.

Key Figures

	Year ended 31 December 2022		Year ended 31 December 2021	
	Tonnes CO ₂ e	tCO ₂ e / m ² 5	Tonnes CO ₂ e	tCO ₂ e / m ² 5
GHG emissions				
Scope 1 ¹	5.8	0.01	7.5	0.01
Scope 2 ²	32.0	0.02	17.4	0.02
Scope 2 ³	-	-	-	-
Scope 3 ⁴	58.6	-	15.2	-
Total GHG emissions (Location-based)	96.4	0.03	40.1	0.03
Total GHG emissions (Market-based)	64.4	0.01	22.7	0.01

1 Scope 1 being emissions from the Group's combustion of fuel and operation of facilities.

2 Scope 2 being emissions from electricity (from location-based calculations), heat, steam and cooling purchased for the Group's own use.

3 Scope 2 being emissions from electricity (from market-based calculations), heat, steam and cooling purchased for the Group's own use.

4 Scope 3 being all indirect emissions (not in scope 2) that occur in the value chain of the reporting company (downstream emissions).

5 Average occupied office space: 2229m² (2021: 971.67 m²).

Total Energy Use

The total energy use for the Company for FY2022 was 248,788 kWh.

	Electricity	Gas	Mileage	Total Energy Use (kWh)
Year ended 31 December 2021	81,873	41,127	44,155	167,155
Year ended 31 December 2022	165,451	31,974	51,363	248,788

Energy Efficiency Actions

In 2022, Logicor relocated head office functions to a new office location. This meant that during 2022, Logicor were actively running two locations during a significant part of the year. The new location has been refurbished to a high efficiency standard, including BREEAM Very Good certification. Going forward, this will result in lower operating carbon emissions for the group.

Logicor Europe Ltd

Independent auditor's report to the members of Logicor Europe Ltd

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Logicor Europe Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement,
- the statement of financial position,
- the statement of changes in equity; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period 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.

Logicor Europe Ltd

Independent auditor's report to the members of Logicor Europe Ltd (continued)

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Logicor Europe Ltd

Independent auditor's report to the members of Logicor Europe Ltd (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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

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

Matters on which we are required to report by exception

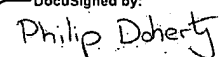
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Philip Doherty FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK
27 October 2023

Logicor Europe Ltd

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Revenue	5		
Consultancy fees		20,611,260	15,552,217
Asset management fees		11,731,453	9,650,465
Service fees		6,895,785	5,265,643
		39,238,498	30,468,325
Expenses			
Salaries	8	(20,430,748)	(17,512,621)
Professional fees		(3,156,484)	(881,619)
Legal fees		(410,917)	(365,822)
Branding and marketing		(1,169,348)	(936,465)
Office costs and temporary staff		(1,627,412)	(1,268,595)
Travel		(222,057)	(47,115)
IT costs		(4,842,661)	(2,550,041)
General expenses		(419,967)	(811,696)
Foreign exchange gains	6	223,105	4,943
Bank charges		(39,774)	(14,316)
Depreciation	6	(3,752,085)	(2,726,426)
(Loss)/Gain on modification of right-of-use asset		(63,388)	469,807
		(35,911,736)	(26,639,966)
Operating profit before interest and taxation		3,326,762	3,828,359
Interest receivable		209,442	26,745
Finance costs	9	(2,436,539)	(857,391)
Profit before taxation	6	1,099,665	2,997,713
Taxation on profit	10	(561,116)	-
Profit for the year		538,549	2,997,713

The Income Statement has been drawn up on the basis that all activities are continuing.

There were no other comprehensive income or expenses for 2022 or 2021 other than those included in the Income Statement and therefore, no Statement of Comprehensive Income has been presented.

The notes on pages 17 to 30 form part of these financial statements.

Logicor Europe Ltd

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

		As at 31 December 2022	As at 31 December 2021
	Note	£	£
ASSETS			
Non-current assets			
Investment in subsidiaries	11	4,875,351	4,875,351
Property, plant and equipment	12	7,956,235	4,841,209
Right-of-use assets	13	10,764,372	405,704
Total non-current assets		23,595,958	10,122,264
Current assets			
Trade and other receivables	14	26,919,672	30,952,786
Corporate tax receivable	10	117,040	920,428
Cash		5,776,705	1,015,940
Total current assets		32,813,417	32,889,154
Total assets		56,409,375	43,011,418
LIABILITIES			
Current liabilities			
Trade and other payables	15	(15,977,796)	(14,702,075)
Borrowings	9	(22,429,605)	-
Lease liabilities	13	(82,105)	(413,622)
Total current liabilities		(38,489,506)	(15,115,697)
Net current liabilities		(5,676,089)	(17,773,457)
Non-current liabilities			
Lease liabilities	13	(11,207,004)	(7,710)
Borrowings	9	-	(21,713,695)
Total non-current liabilities		(11,207,004)	(21,721,405)
Total liabilities		(49,696,510)	(36,837,102)
Net assets		6,712,865	6,174,316
EQUITY			
Share capital	17	3	3
Share premium		51,097,599	51,097,599
Profit and loss account		(44,384,737)	(44,923,286)
Total equity		6,712,865	6,174,316

The financial statements and notes thereto were approved and authorised for issue by the Board of Directors on 27 October 2023 and are signed on its behalf by:


Simon Clinton (Oct 27, 2023 17:35 GMT+1)

Simon Clinton
Director

Registered Company Number: 08326708

The notes on pages 17 to 30 form part of these financial statements.

Logicor Europe Ltd

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £	Share premium £	Profit and loss account £	Total equity £
Balance as at 1 January 2021	3	51,097,599	(47,920,999)	3,176,603
Profit and total comprehensive income for the year 2021	–		2,997,713	2,997,713
Balance as at 31 December 2021	3	51,097,599	(44,923,286)	6,174,316
Profit and total comprehensive income for the year 2022	–		538,549	538,549
Balance as at 31 December 2022	3	51,097,599	(44,384,737)	6,712,865

The notes on pages 17 to 30 form part of these financial statements.

Logicor Europe Ltd

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. GENERAL INFORMATION

Logicor Europe Ltd is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is 30 Broadwick Street, London, England, W1F 8JB. The nature of the Company's operations and its principal activities is to provide consultancy advice to asset management companies within Europe and asset management services to property companies located in the United Kingdom.

2. BASIS OF ACCOUNTING

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") as issued by the Financial Reporting Council. As a result of the Logicor Group's parent financial statements being made publicly available and prepared under IFRS, the Company is exempt from having to prepare financial statements on a consolidated basis. The financial statements have been prepared under the historical cost convention, and in accordance with FRS 101.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash flow statement, standards and amendments not yet effective, certain financial instrument requirements of IFRS 7 and related party transactions.

The financial statements are presented in Great British Pound Sterling (£), which is the currency of the primary economic environment in which the Company operates.

3. ACCOUNTING POLICIES

New and amended IFRS Account Standards that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Going concern

In preparing the financial statements as at 31 December 2022, the Directors have reviewed the ability of the Company to meet its obligations over 12 months following the date of signature of these financial statements. The Company is expected to be cash positive for the foreseeable future. The Directors have made this assessment on the basis that the company will continue to generate income from related party entities that form part of the Logicor Group on a cost plus basis, and with reference to the forecast cash flows of the Logicor Group in which this Company is consolidated. A letter of support has been supplied by the parent company stating that it will continue to provide financial support.

Accordingly, management has adopted the going concern basis in preparing the financial statements.

Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following basis:

Leasehold improvements	Over the life of the lease
IT	2 to 5 years
Fixtures and fittings	2 to 10 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The Company also has a policy of capitalising consultancy fees relating to software development in accordance with IAS 38 which require that the company only recognise intangible assets when:

- it is probable that the future economic benefits attributable to the asset will flow to the entity; and
- the cost of the asset can be reliably measured.

Logicor Europe Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

3. ACCOUNTING POLICIES (continued)

Leases

Leases liabilities are accounted for in accordance with IFRS 16 'Leases' ("IFRS 16") with a lease liability and right-of-use asset being recognised and amortised over the life of the relevant lease on a straight-line basis.

Right-of-use assets

Right-of-use assets are recognised in respect of the Company's rented office spaces and certain items of office equipment.

When the Company is the lessee, it is required to recognise both:

- A lease liability, measured at the present value of remaining cash flows on the lease, and
- A right of use (ROU) asset, measured at the amount of the initial measurement of the lease liability, plus any lease payments made prior to commencement date, initial direct costs, and estimated costs of restoring the underlying asset to the condition required by the lease, less any lease incentives received.

Subsequently the lease liability will increase for the accrual of interest, resulting in a constant rate of return throughout the life of the lease, and reduce when payments are made. The right of use asset will amortise to the income statement over the life of the lease. The lease liability is remeasured when there is a change in one of the following:

- Future lease payments arising from a change in an index or rate;
- The Company's estimate of the amount expected to be payable under a residual value guarantee; or
- The Company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in the income statement if the carrying amount of the ROU asset has been reduced to nil.

Revenue

Revenue represents asset management fee income, consultancy fee income and service fee income receivable at invoiced amounts exclusive of Value Added Tax. Income is measured at the fair value of the consideration received or receivable and represents amounts for services provided in the normal course of business. Revenue is therefore recognisable, in accordance with IFRS 15 Revenue from Contracts with Customers when the company deems the performance obligations of the contract have been met. Performance obligations are met when the costs have been incurred or the services performed.

The transaction price for internal revenue is calculated based on costs recharged with a transfer pricing margin applied. The transaction price for 3rd party asset management fee revenue, is calculated based on a margin applied to the quarterly net operating income of the assets, in line with the contract terms. Payment is generally due within 30 to 90 days from services provided.

Employee Benefits

Where the cost of employee benefits are dependent on the future value of the Company or that of affiliated companies, the value of such benefits is estimated by management. Any such benefits are charged to the Income Statement and accrued in the Statement of Financial Position.

Finance Costs

Interest income is recognised when it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis with reference to the principal outstanding and the rate of interest to be applied. Where financial liabilities are measured at amortised cost using the effective interest method, interest expense is recognised on an effective yield basis in profit or loss within finance costs.

Receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as receivables. Receivables are measured at amortised cost using the effective interest method, less any expected credit losses. Receivables are provided for using the expected credit loss model as required by IFRS 9 'Financial Instruments' ("IFRS 9"). All receivables are held with affiliated companies and as such, expected credit losses are expected to be immaterial.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the financial arrangement.

Logicor Europe Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

3. ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value.

Benefit schemes

Payments to defined contribution pension schemes are recognised as an expense when employees have rendered services entitling them to the contributions.

Where benefits are earned over more than one year, the cost of the benefits are recognised on a straight-line basis over the vesting period. The cost of benefits are remeasured every reporting period.

Investments

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Impairment

The carrying amount of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment; an asset is impaired if objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset. If any such indication exists, then the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit or loss.

Foreign currencies

Transactions in currencies other than the company's functional currency are recognised at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences are recognised in the Income Statement in the year in which they arise.

Current tax

The tax currently payable is based on taxable profit for the year. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax

Deferred tax assets on losses are not recognised due to the unpredictability of utilising these losses.

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Due to the cost-plus nature of profit generation within the Company there are no significant areas of judgement or estimation uncertainty relating to revenue recognition. In applying the Company's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Long term employee benefits

Where the cost of employee benefits are dependent on the future value of the Company or that of affiliated companies, the value of such benefits is estimated by management. Any such benefits are within the wages and salaries amount in the income statement and accrued into the balance sheet in accruals. The estimated value of the costs is derived from the most recent board approved business plan and includes forecasts of cash flows derived from rent rolls and other leasing projections together with expectations of changes in estimated rental values ('ERVs') and yields of properties.

Logicor Europe Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

Long term employee benefits (continued)

The estimated value is based on assumptions and the main sensitivity would be volatility of future property values. The benefits are also included in the cost base for the determination of revenue receivable. If the property assumptions for ERVs changed by 5% and equivalent yields changed by 25bps the impact on the profit for the year would be approximately £0.2m and £0.2m respectively (2021: £nil for each scenario).

5. REVENUE

Revenue for the year is derived from UK asset management fees and consultancy fees to European asset management companies. A service fee is also charged to the parent companies of the Logicor Group.

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Revenue by category		
Consultancy Fees	20,611,260	15,552,217
Asset Management Fees	11,731,453	9,650,465
Service fee	6,895,785	5,265,643
Total revenue	39,238,498	30,468,325

6. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging / (crediting):

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Salaries (see Note 8)	20,430,748	17,512,621
Depreciation	3,752,085	2,726,426
Foreign exchange gains	(223,105)	(4,943)
Fees payable to the Company's auditor and their associates for the audit of the Company's annual financial statements	78,840	57,651

No non-audit fees were payable to the Company's auditor in the year ended 31 December 2022 (2021: £nil).

7. DIRECTORS' REMUNERATION

Remuneration in respect of Directors was as follows:

Aggregate remuneration comprised:

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Salaries and other short-term benefits	5,099,148	5,130,382
Pension contributions to money purchase pension schemes	10,000	10,000
Total aggregate remuneration	5,109,148	5,140,382

During the year one Director (2021: one) participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid Director as follows:

Aggregate remuneration comprised:

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Salaries and other short-term benefits	2,138,440	2,138,440
Total aggregate remuneration	2,138,440	2,138,440

Logicor Europe Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

8. SALARIES

The average monthly number of employees (including Directors) was 82 (2021: 59).

	2022 No. of employees	2021 No. of employees
Senior Management / Finance	41	25
Management / Investment	21	16
Employees / Other	20	18
Total average monthly number of employees	82	59

Aggregate remuneration (including Directors) comprised:

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Wages and salaries	17,316,134	14,708,773
Social security costs	2,368,062	2,331,621
Other benefits	746,552	472,227
Total aggregate remuneration	20,430,748	17,512,621

From 1 January 2014, the Company has operated a defined contribution pension scheme for the benefit of the employees and Directors. The assets of the scheme are administered by an independent pension provider. Pension payments recognised as an expense during the year amount to £449,080 (2021: £430,861).

9. FINANCE COSTS & BORROWINGS

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Finance costs		
Interest payable on loans from parent company	2,271,662	756,681
Interest payable on lease liabilities	164,877	100,710
Total finance costs	2,436,539	857,391

	As at 31 December 2022 £	As at 31 December 2021 £
Borrowings		
Loan payable to parent company	22,429,605	21,713,695
Total non-current borrowings	22,429,605	21,713,695

The company benchmark interest rate on the loan payable to parent company changed to Sterling Overnight Indexed Average (SONIA) from 1st January 2022. Interest payable on loans from parent company is charged at GBP SONIA (2021: LIBOR) + 3% and matures on 29 November 2023. The loan payable to parent company has been extended to mature on 31st December 2025 on the same terms.

Logicor Europe Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

10. TAXATION ON PROFIT

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Current tax		
Current year	561,116	-
Total tax charge for the year	561,116	-

Corporation tax is calculated at 19% (2021: 19%) of the taxable profit for the year. The March 2021 Budget announced an increase to the main rate of corporation tax to 25% from April 2023. The Finance Act 2022 enacted this change to corporation tax rates on 24 April 2022, the rate will increase from 19% to 25% from 1 April 2023. This rate was not substantively enacted at the balance sheet date, as a result deferred tax balances as at 31 December 2022 were measured at 19%. The charge for the year can be reconciled to the profit before tax as follows:

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Profit before tax	1,099,665	2,997,713
Profit at the standard rate of corporation tax in the UK of 19% (2021: 19%)	208,936	569,566
Effect of:		
Items disallowable for tax purposes	36,615	(441,597)
Depreciation in excess of capital allowances	179,282	(277)
UK losses utilised	(13,165)	(127,692)
Prior year tax charge	149,448	-
Total tax charge on profit for the year	561,116	-

Tax losses carried forward from 2021 (£24.1m) were surrendered to other UK tax payers within the tax group, resulting in no loss carried forward at 31 December 2022.

2021 Tax Receivable Adjustment

	Year ended 31 December 2021
	£
Tax Receivable Adjustment	
Tax Receivable per signed 2021 FS	-
Restatement	920,428
Restated 2021 Tax Receivable	920,428

Prior year restatement to reclass tax receivable balance included in trade and other receivables to be comparable with 2022 presentation.

Logicor Europe Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

11. INVESTMENT IN SUBSIDIARIES

	Investment in subsidiaries
Cost	£
At 1 January 2022	4,875,351
Additions	-
At 31 December 2022	4,875,351
Impairment	
At 1 January 2022	-
Impairment in the year	-
At 31 December 2022	-
Net book value at 31 December 2021	4,875,351
Net book value at 31 December 2022	4,875,351

There are no other movements in investment in subsidiaries in the year.

The subsidiaries of the Company as at 31 December 2022 are as follows:

	Incorporated/ acquired	Country	Registered address	% ownership
Logicor Beheer B.V.	23 July 2013	Netherlands	Stadsplateau 7, Utrecht, 3521 AZ Netherlands	100
Logicor Management Polska Sp. z o.o	16 April 2013	Poland	Elektrownia Powisle Building C, 5 th Floor ul.Dobra 40, Warsaw 00-344, Poland	100
Logicor Deutschland GmbH	19 December 2013	Germany	Bockenheimer Landstraße, 13-15, 60325 Frankfurt am Main, Germany	100
Logicor Italia S.R.L.	4 February 2014	Italy	Via Gaetano Giardino, 4 20124 Milan, Italy	100
Logicor España S.L.	4 April 2014	Spain	Calle Genova 17, 6th Floor, Madrid, 28004, Spain	100
Logicor Gestion SAS	31 October 2014	France	134 Boulevard Haussmann, Paris, 75008, France	100
Logicor Property France SA*	31 October 2014	France	134 Boulevard Haussmann, Paris, 75008, France	100
Logicor Portugal SUL	28 May 2015	Portugal	Av. Miguel Bombarda, N°36, 4E 1050-165 Lisbon, Portugal	100
Logicor Management Hungary Kft	1 March 2016	Hungary	2040 Budaors, Vasut utca 11, Budapest, Hungary	100
Logicor Management Czech Republic s.r.o.	21 May 2021	Czech Republic	Karolinská 654/2, 186 00 Prague 8, Czech Republic	100

*Indirectly owned through Logicor Gestion SAS.

The above percentages show the amounts of ordinary shares held by Logicor Europe Ltd.

Logicor Europe Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

12. PROPERTY, PLANT AND EQUIPMENT

Cost	Leasehold improvements £	Fixtures & fittings £	IT equipment £	Total £
At 1 January 2022	927,693	395,018	10,517,325	11,840,036
Additions	2,147,540	-	3,620,157	5,767,697
Disposals	(927,693)	(395,018)	(116,804)	(1,439,515)
At 31 December 2022	2,147,540	-	14,020,678	16,168,218
Depreciation				
At 1 January 2022	831,029	330,454	5,837,344	6,998,827
Depreciation	167,781	38,824	2,382,678	2,589,283
Disposals	(925,607)	(369,278)	(81,242)	(1,376,127)
At 31 December 2022	73,203	-	8,138,780	8,211,983
Net book value at 31 December 2022	2,074,337	-	5,881,898	7,956,235

Cost	Leasehold improvements £	Fixtures & fittings £	IT equipment £	Total £
At 1 January 2021	927,693	387,155	8,004,435	9,319,283
Additions	-	7,863	2,512,890	2,520,753
At 31 December 2021	927,693	395,018	10,517,325	11,840,036
Depreciation				
At 1 January 2021	635,896	254,383	4,109,737	5,000,016
Depreciation	195,133	76,071	1,727,607	1,998,811
At 31 December 2021	831,029	330,454	5,837,344	6,998,827
Net book value at 31 December 2021	96,664	64,564	4,679,981	4,841,209

Logicor Europe Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Cost	Buildings £	Equipment £	Total £
At 1 January 2022	2,460,679	72,837	2,533,516
Lease modification	(1,820,972)	-	(1,820,972)
Additions	11,296,218	225,251	11,521,469
Disposals	(568,945)	(72,837)	(641,782)
At 31 December 2022	11,366,980	225,251	11,592,231
Depreciation			
At 1 January 2022	2,065,306	62,506	2,127,812
Lease modification	(1,820,973)	-	(1,820,973)
Depreciation Charge	1,129,226	33,576	1,162,802
Disposals	(568,945)	(72,837)	(641,782)
At 31 December 2022	804,614	23,245	827,859
Net book value at 31 December 2022	10,562,366	202,006	10,764,372

Cost	Buildings £	Equipment £	Total £
At 1 January 2021	5,457,074	72,837	5,529,911
Lease modification	(2,996,395)	-	(2,996,395)
At 31 December 2021	2,460,679	72,837	2,533,516
Depreciation			
At 1 January 2021	1,358,525	41,670	1,400,195
Depreciation	706,781	20,836	727,616
At 31 December 2021	2,065,306	62,506	2,127,812
Net book value at 31 December 2021	395,373	10,331	405,704

Leases recognised in the financial statements relate to office premises in London and Solihull as well as items of office equipment.

Lease Liabilities

	As at 31 December 2022 £	As at 31 December 2021 £
Maturity Analysis		
Less than one year	85,692	418,750
In the second to fifth year inclusive	5,961,233	7,710
Above five years	6,606,923	-
Total	12,653,848	426,460

	As at 31 December 2022 £	As at 31 December 2021 £
Maturity Analysis		
Effect of discounting	(1,364,739)	(5,128)
Total liability	11,289,109	421,332

Logicor Europe Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Analysed as:

	As at 31 December 2022 £	As at 31 December 2021 £
Current	82,105	413,622
Non-current	11,207,004	7,710
Total	11,289,109	421,332

The lease liability includes a lease for the office premises in London which expires in May 2032.

14. TRADE AND OTHER RECEIVABLES

	As at 31 December 2022 £	As at 31 December 2021 £
Trade receivables with affiliated companies	3,119,587	3,483,939
Trade receivables with subsidiary companies	5,037,929	2,700,395
Accrued income from affiliated companies	13,272,775	2,919,875
Accrued income from subsidiary companies	3,567,227	5,363,644
Deposits and other receivables from affiliated companies	-	13,926,826
Prepayments	1,025,695	1,802,315
Other receivables	896,459	755,792
Total trade and other receivables	26,919,672	30,952,786

Payment of asset management, consultancy and service fee invoices are due within 30 days of receipt of invoice. An amount of (£296,123) (2021: £13,926,826) is included within Other payables to affiliated Companies (2021: Deposits and other receivables from affiliated companies) and is part of a cash pooling arrangement with the Group's treasury companies, Eurocor Treasuryco S.à r.l and Logicor Treasuryco S.à r.l. This accrues interest at 0.496%. All other balances are non-interest bearing. Trade receivables with affiliated companies and amounts payable to affiliated companies are repayable on demand.

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. No provisions for expected credit losses have been recognised.

Logicor Europe Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

15. TRADE AND OTHER PAYABLES

	As at 31 December 2022 £	As at 31 December 2021 £
Payables to affiliated companies	-	5,512,935
Payables to subsidiary companies	2,905,790	218,151
Other payables to affiliated companies	2,044,642	158,179
Trade payables with third parties	411,215	3,457,357
Accruals and deferred income	10,616,150	5,355,453
Total trade and other payables	15,977,796	14,702,075

The Directors consider that the carrying amount of trade payables approximates to their fair value. Trade payables with affiliated companies and amounts payable to affiliated companies are repayable on demand and are non-interest bearing.

16. FINANCIAL INSTRUMENTS

	As at 31 December 2022 £	As at 31 December 2021 £
Categorisation of financial instruments:		
Trade and other receivables	25,893,978	29,150,472
Cash and cash equivalents	5,776,705	1,015,940
Loans and receivables – at amortised cost	31,670,683	30,166,412
 Trade and other payables	 8,882,380	 9,346,622
Borrowings – non-current	22,429,605	21,713,695
Liabilities – at amortised cost	31,311,985	31,060,317

Logicor Europe Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

16. FINANCIAL INSTRUMENTS (continued)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss for the Company. The majority of the Company's transactions are within the Logicor Group, as such, the credit risk is reduced compared to non-related counterparty risk. The Company continually monitors the underlying tenant credit ratings on behalf of the managed property companies to ensure that they are within the recommended limits to minimise the risk of default and ensure adequate ownership.

Amounts receivable from affiliated companies consists of a large number of customers, who are all related parties, in the real estate industry throughout Europe. Ongoing monitoring and evaluation is performed on the financial condition of accounts receivable to ensure cash is available to pay invoices.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk as no collateral or other credit enhancements are held.

Market risk

The Company's activities expose it primarily to the financial risks of downturns in the logistics market that could result in the inability of managed property portfolios to meet debt service payments and breach debt covenants. The Company takes appropriate steps to monitor and manage such risks in a variety of ways including:

- actively monitoring the logistics market through research and use of experts;
- continually monitoring the covenants placed on tenants;
- meeting with tenants and inspecting properties; and
- setting budgets based on expectation of the market trajectory.

There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the equity balance.

The capital structure of the Company consists of equity (comprising issued capital as disclosed in note 17 share premium, and profit and loss) and debt finance provided by the parent company (Note 9).

The Company is not subject to any externally imposed capital requirements.

Logicor Europe Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

17. SHARE CAPITAL

	As at 31 December 2022 £	As at 31 December 2021 £
Authorised:		
3 ordinary shares of £1 each	3	3
Issued and fully paid:		
3 ordinary shares of £1 each	3	3

18. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the disclosure exemptions available not to disclose related party transactions with fellow wholly-owned group undertakings, as these are included in the consolidated financial statements in which the Company is included and are publicly available. The ultimate parent is China Investment Corporation.

In the year ended 31 December 2022 and 31 December 2021, the Company has entered into asset and property management service agreements with certain funds affiliated with the Blackstone Group Inc. ("Blackstone"). In the year ended 31 December 2022 and 31 December 2021 the Logicor Group provided services to Blackstone on an arms-length basis and the transactions are disclosed as with a related party due to Blackstone's minority ownership of the Logicor Group. As at 31 December 2022 funds managed by Blackstone or, any of its affiliates or direct or indirect subsidiaries had a 16% interest (2021: 16%) in the Logicor Group.

Under these agreements the Company provides asset and property management services as well as general advisory services with a view to maximising rental yield and long-term capital growth of real estate assets owned or managed by funds affiliated with Blackstone. In each case the Company acts under the supervision and direction of the respective affiliates of Blackstone but shares its expertise and market knowledge in consideration for fees that have been negotiated.

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Management fees earned from Blackstone	2,397,976	2,476,775
Total management fees earned from Blackstone	2,397,976	2,476,775

	As at 31 December 2022 £	As at 31 December 2021 £
Amounts due from Blackstone	3,017,869	2,919,875
Total amounts due from Blackstone	3,017,869	2,919,875

Logicor Europe Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

19. CONTROLLING PARTY INFORMATION

The Company is included in the consolidated financial statements of Eurologi II S.à r.l. which are available from its registered office, 2A rue Eugene Ruppert, Luxembourg, L-2453. As a result of these statements being made publicly available and prepared under IFRS, the Company is exempt from having to prepare financial statements on a consolidated basis. The smallest set of publicly available financial statements into which these financial statements are consolidated are the Eurocor II S.à r.l. and Eurocor III S.à r.l. combined financial statements; and the largest are those of Eurologi II S.à r.l.

The immediate parent of the Company is Logicor Europe Holdings S.à r.l. with registered offices at 2A rue Eugene Ruppert, Luxembourg, L-2453. The ultimate parent and controlling party of Eurologi II S.à r.l. is China Investment Corporation, incorporated in China.

20. POST BALANCE SHEET EVENTS

Post year end the loan payable to the parent company has been extended and now matures on the 31 December 2025. All other terms remain the same.