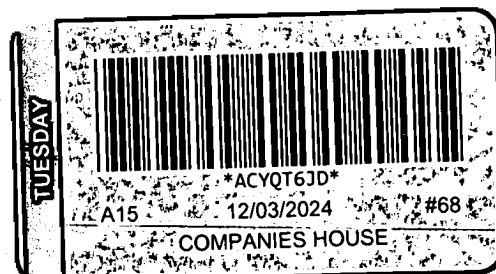


# Annual Report and Financial Statements

30 June 2023

**IFM Investors (UK) Ltd**  
Registered number 05857982 (England and Wales)



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For the year ended 30 June 2023

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# Officers and professional advisors

For the year ended 30 June 2023

## DIRECTORS

Esperanza Cerdan

Louise Stevenson

David Cooper

## COMPANY SECRETARY

Joanna Walker (resigned 01/08/2023)

Laura Smith (appointed 01/08/2023)

## Registered office

2 London Wall Place

London

EC2Y 5AU

United Kingdom

## Auditor

Deloitte LLP

9 Haymarket

Edinburgh

EH3 8RY

United Kingdom

## Banker

HSBC Bank Plc

8 Canada Square

London

E14 5HQ

United Kingdom

# Strategic report

For the year ended 30 June 2023

## Principal activities and review of the business

The principal activity of IFM Investors (UK) Ltd (the "Company") during the year was the provision of investment management services to IFM Investors Pty Ltd, the Company's immediate parent company (the "parent company"). Investment management services provided to the parent company includes:

- advising on market, economic and strategic issues relevant to the investment, management, disposal or administration of any portfolio assets;
- support with respect to executing transactions; and
- managing investment returns.

(Collectively, "investment management services")

During the year the Company provided services to its parent company and received revenue for these services amounting to £141,133,086 (2022: £111,108,183). The service income is based on a transfer pricing arrangement between the Company, its parent company, and other subsidiaries of the parent company. The IFM Investors Pty Ltd group (the "Group") operates a transfer pricing model combining both a cost-plus mechanism (for non-mature components and business units) and a residual profit share model (for mature business units within mature components). Components are designated as either mature or non-mature based upon their size, nature and global presence of products that contribute to the Group profitability in accordance with the transfer pricing policy.

The profit before taxation of £20,427,815 (2022: £22,048,297) was earned during the year, as a net result of transfer pricing income, a gain on foreign currency revaluation and increase in expenses. The company had net assets as at 30 June 2023 of £84,237,280 (2022: £65,857,000).

The Group sets out key indicators which it assesses its performance against. As the principal activity of the Company is to provide investment management services to the parent company, the Company's performance is a key contributing factor to Group performance. Therefore, the Company is appraised based on a set of Group performance indicators. Some of the key Group performance indicators are detailed below:

- Product performance metric is representative of our investment performance – 80% of products performed at or ahead of stated objectives, after tax and management fees on a rolling five-year basis compared to 90% in FY22;
- Group investor satisfaction score – 8.4 out of 10 achieved in FY23 (8.4 in FY22). This is a measure of investor satisfaction which is a key performance indicator to ensure our investors are engaged with IFM.

## Principal risks and uncertainties

The future success of the Company is dependent upon maintaining investment management services for the parent company. The Company contributed to the Group's strong client base and continues to generate clients via its principal activity.

The principal risks facing the Company is outlined below:

- an increase in competition for funds within the infrastructure and debt investment fields and the financial performance of the Group, which may adversely affect the financial performance of the Company due to the profit-sharing agreement;
- downturn of portfolio performance leading to unfavorable investment returns; and
- limited investment opportunities to deploy funds.

The market risk, credit risk, operational risk, liquidity and cashflow risk considerations are outlined on pages 7 to 8 on the Directors' report.

The financial instruments used by the Company arise wholly and directly from its activities and comprise of cash at bank and intercompany debtors and creditors.

# Strategic report (continued)

For the year ended 30 June 2023

## Section 172 Companies Act 2006 Statement

The directors have a duty to promote the success of the Company for the benefit of its shareholder and describe how they have performed this duty with regards to matters set out in S172(1) of the Companies Act 2006. The Board recognises that taking into account the interests of the Group's clients, the Company's employees and sole shareholder, as well as the longer term impact of its decisions and the desire to maintain the Company's reputation and improve the investment universe, will improve the Board's decision making. The Board ensures that the impact of their decision making is aligned with the long term sustainable success of the Company.

The Company's value is created by its delivery of services to clients, identification of investment opportunities and managing investment returns, in accordance with the wider directives of the Group, allowing it to drive its own relationships and success. To maintain and build investment value over the long term, the directors recognise the importance of aligning the Company's interests with the interests of the customers and the community in which it operates.

A core part of the Company's vision is to invest, protect and grow the retirement savings of working people. The Board recognises the importance and impact of employees on the success of the Company, and invests heavily in the development and retention of employees. The Company encourages staff development and progression, endeavouring to build long term, rewarding careers for staff. The Board receives regular feedback from employees, including annual results of the Employee Engagement Survey.

The Company strives to make inclusion and diversity fundamental to how we do business by embracing unique qualities, backgrounds and perspectives. Inclusion and diversity in our workplace leads to innovative thinking, better decision making and superior value for our investors and stakeholders.

The core of our Inclusion and Diversity strategy is to create an inclusive culture supported by five pillars:

- Cultural & Ethnic Diversity;
- Mental Health & Wellbeing;
- Ability;
- LGBTQI+; and
- Gender

The Board acknowledges the importance of environmental, social and governance matters and is committed to maintaining and demonstrating high standards in relation to the Company's business conduct, its impact on the environment and society, and contribution to the long-term strength and resilience of the markets in which we operate.

As part of the Group's net zero by 2050 commitment, the Group has set a 2030 interim emissions reduction target of 1.16 million tonnes of CO<sub>2</sub>e for the infrastructure asset class. This target covers Scope 1 and Scope 2 emissions and translates to a 40% reduction in the emissions of the Group's existing infrastructure portfolio from 2019 levels. The target will be adjusted annually for divestments and new investments.

IFM's Chief Executive and other Australian infrastructure investors met the UK Prime Minister to discuss the UK's energy transition and the role investors can play, including investment across the UK in clean energy, technology and infrastructure projects over the next decade. IFM seeks to invest in opportunities across new net zero projects and to enhance our existing UK assets, including the M6 toll road, Anglian Water, and Manchester, Stansted and East Midland airports.

In summary, the Board's primary focus is promoting the long term success of the Company for the benefit of its shareholders, its employees and the Group's clients. In doing so, as described above, it has due regard for the impact of its actions on other stakeholders and the wider community.

# Strategic report (continued)

For the year ended 30 June 2023

## Results and dividends

The results for the year are set out on page 15.


The Directors do not recommend payment of an ordinary dividend (2022: £nil).

## Future developments

The Directors expect the level of activity to remain largely consistent with 2023 in the forthcoming year.

The Directors and management of the Company have analysed the growth and expansion opportunities for the Company and other economic risks and uncertainties, including rising interest rates and oil prices, geopolitical risks, climate and extreme weather events and skilled staff shortages that continue to create market volatility.

Notwithstanding the market volatility, the directors believe the company continues to be a resilient business and well-placed to continue its strong growth.



E. Cerdan  
Director

17 October 2023

# Directors' report

For the year ended 30 June 2023

The Directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 30 June 2023. The Directors have chosen, in accordance with section 414c(11) of the Companies Act 2006 to include certain additional matters in the Strategic Report that would otherwise be required to be disclosed in this Directors' Report. Such disclosed items include the future developments and results and dividends.

## Directors

The Directors, who served throughout the year and to the date of this report, were as follows:

Esperanza Cerdan

Louise Stevenson

David Cooper

## Going concern

The Directors believe that the Company's cash of £13,099,172 and the current assets of £156,972,686 as at 30 June 2023 position are appropriate to manage its business risk successfully. The Company generates revenue through a transfer pricing arrangement that includes elements of a cost-plus method and a residual profit share model and expects to remain profitable throughout the coming 12 months.

The Directors and management of the Company have analysed forecasts and cash flow projections to assess the going concern of the Company. They have also considered the growth and expansion opportunities for the Company and other economic risks and uncertainties, including rising interest rates and oil prices, geopolitical risks, climate and extreme weather events and skilled staff shortages that continue to create market volatility. Notwithstanding the market volatility, the directors believe the company continues to be a resilient business and well-placed to continue its strong growth.

## Overseas branches

The Company has overseas branches in Germany and Italy, which were established in order to have employees of the Company permanently placed there.

## Change in accounting standards

None noted at this time.

## Engagement with suppliers, customers and others in a business relationship with the company

Across Australia, the US and UK, the Group actively engages with political, government and industry stakeholders to advocate for policy outcomes that is believed will strengthen the investment, pension and financial systems in which the Group operates. These engagements highlight opportunities to mobilise pension capital for clean energy projects that support economies, investors and the community. In light of the Company's expertise in the UK and European markets, the Company plays a vital role in facilitating engagement on behalf of the Group with key stakeholders in the UK and European economy and broader society.

The Group is an active signatory to or member of a number of organisations and initiatives promoting responsible investment and sustainable business principles globally. This includes collaboratively working alongside investors and peers through initiatives focusing on a range of responsible investment themes, such as climate change, gender diversity, modern slavery and ESG data and disclosure.

We have continued to support our people by focusing on building their resilience and capabilities in a hybrid working environment that offers flexibility, support and opportunities for career development.

# Directors' report (continued)

For the year ended 30 June 2023

## Financial risk management objectives and policies

The Directors of IFM Investors (UK) Ltd assess the main risks for the forthcoming year as follows:

### Credit risk

The Company's financial assets are primarily cash and receivables. All receivables are reviewed on a frequent basis to ensure timely collection. Receivables mostly consist of amounts owed from the parent company and credit risk is considered low due to strong financial position of the parent company. The credit risk on cash deposits is limited because the credit institutions are banks with high credit-ratings assigned by international credit-rating agencies. Monitoring of such exposure is carried out on an ongoing basis.

### Market risk

As the Company incurs expenses denominated in foreign currencies, foreign exchange rates may have a material impact on the Company's profit. However, due to the hedging of foreign currency exposure at the parent company level, market risk is measured at the parent level also. Since the settlement of debtor balances normally takes place without undue delay, the timing of the amount becoming payable and subsequently being paid is such that it is not considered to present a material risk to the Company.

### Operating risk

Operating risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. Where possible and appropriate, the Company builds operational risk controls into each of its processes. Control processes are designed to be appropriate to the activities conducted. While it is not possible to specify all types of control processes, the following controls are implemented wherever appropriate:

- integration of controls in processes and role responsibilities;
- promoting compliance with the process and with all relevant laws and regulatory requirements, including capital adequacy requirements;
- maintaining safeguards for access to, and use of, assets and records;
- segregation of duties through role and system-based segregation to protect against fraud and to avoid conflicts of interest;
- promoting effective IT security practices, including system access controls;
- clearly communicated policies and procedures; and
- monitoring of adherence to assigned risk limits or thresholds.

### Liquidity and cashflow risk

The company maintains positive cashflows and remains liquid with related party receivables being converted to cash ensuring obligations are met.



## Directors' report (continued)

For the year ended 30 June 2023

### Energy and emissions report

During the financial year, the Company managed its carbon emissions from the UK premises<sup>a)</sup> entirely through the purchase of carbon credits.

	2023	2022
Emissions from combustion of gas (Scope 1 - tonnes of CO <sub>2</sub> e)	-	-
Emissions from combustion of fuel for transport purposes (Scope 3 - tonnes of CO <sub>2</sub> e) <sup>b)</sup>	240	-
Emissions from electricity purchased for own use, including for the purposes of transport (Scope 2 - tonnes of CO <sub>2</sub> e) <sup>a)</sup>	66,377	50,639
Emissions from the transmission and distribution of electricity where the company is responsible for purchasing the fuel (Scope 3 - tonnes of CO <sub>2</sub> e) <sup>a)</sup>	5,742	4,637
<b>Total gross CO<sub>2</sub>e based on above</b>	<b>72,360</b>	<b>55,330</b>
Energy consumption used to calculate emissions - kwh	320,546	262,143
Intensity ratio (tonnes of CO <sub>2</sub> e per average FTE)	652	629

<sup>a)</sup> UK energy is based on energy usage of the London office site.

<sup>b)</sup> Emissions relating to employee travel is based on air and rail travel for the year

The methodology used to calculate the associated Greenhouse gas emissions for employee travel was to multiply emissions (tonnes of CO<sub>2</sub>) from combustion gas to the relevant scope 3 conversion factor depending on class of travel.

The methodology used to calculate the associated Greenhouse gas emissions for energy usage for the London office was to multiply the energy usage by the conversion factor scope 2 (0.20707) for the UK Grid electricity and scope 3 (0.01792) for the transmission and distribution. The scope factors being those published by the UK Department for Business, Energy & Industrial Strategy.

### Disclosure of information to the auditor

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

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that he or she ought to have taken as a Director in order 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.

Deloitte LLP have expressed their willingness to continue in office as auditor. A resolution to re appoint the auditor will be dealt with at the parent company level.

# Directors' report (continued)

For the year ended 30 June 2023

## Indemnification and insurance of directors, officers and auditors


During and since the financial year end, insurance arrangements have been in place insuring the directors against a liability incurred as a director, to the extent permitted by the Companies Act 2006. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, except to the extent permitted by the law, indemnified or agreed to indemnify an officer or auditor of the Company or any related body corporate against a liability incurred as such an officer or auditor.

## Events after the balance sheet date

As reflected in note 6.3 to the financial statements, there are no significant events that have taken place since the balance sheet date.

Approved by the Board and signed on its behalf by:



E. Cerdan  
Director

17 October 2023

# Statement of directors' responsibilities

For the year ended 30 June 2023

The Directors are responsible for preparing the Annual Report and 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 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 United Kingdom 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.

The Directors are responsible for the maintenance and integrity of the Company's corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Independent auditor's report to the member of IFM Investors (UK) Ltd

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of IFM Investors (UK) Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 30 June 2023 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 profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 6

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.

# Independent auditor's report to the member of IFM Investors (UK) Ltd (continued)

## 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.

## Responsibility 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](http://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, those charged with governance, in-house legal counsel about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

# Independent auditor's report to the member of IFM Investors (UK) Ltd (continued)

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

We obtained an understanding of the legal and regulatory framework 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 the Companies Act 2006, tax legislation and pension 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. These included the financial Services and Markets act 2000

We discussed among the audit engagement team including relevant tax and transfer pricing specialists regarding the opportunities and incentives that may exist within the company 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.

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, those charged with governance, 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 and regulatory correspondences.

## 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:

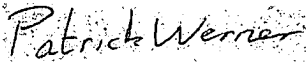
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law 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.

# Independent auditor's report to the member of IFM Investors (UK) Ltd (continued)

## Use of our report

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



Patrick Werner CA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Edinburgh, United Kingdom

17 October 2023

## Profit and loss account

For the year ended 30 June 2023

	Notes	2023 GBP	2022 GBP
Turnover	2.1	141,761,136	111,445,663
Foreign exchange gain/(loss)		609,496	(4,736,292)
Administrative expenses	2.2	(122,285,494)	(84,662,086)
<b>Operating profit</b>		<b>20,085,138</b>	<b>22,047,285</b>
Interest income		342,677	1,012
<b>Profit before taxation</b>		<b>20,427,815</b>	<b>22,048,297</b>
Tax on profit	2.8	(2,047,535)	(3,261,505)
<b>Profit for the financial year</b>		<b>18,380,280</b>	<b>18,786,792</b>

All of the activities of the Company are classed as continuing. There was no other comprehensive income other than what is recognised in the Profit and loss account and as such, a separate statement of comprehensive income is not presented in either of the years.

The accompanying notes form an integral part of these financial statements.



# Balance sheet

At 30 June 2023

	Notes	2023 GBP	2022 GBP
<b>ASSETS</b>			
<b>Current assets</b>			
Cash at bank	2.4.1	13,099,172	12,351,197
Trade and other receivables	2.5	143,873,514	113,640,529
<b>Total current assets</b>		<b>156,972,686</b>	<b>125,991,726</b>
<b>Non-current assets</b>			
Tangible fixed assets	3.2	2,571,339	2,722,410
Investments	3.1	50	50
Right of use asset	3.3	6,083,017	7,154,914
Deferred tax asset	2.8.2	16,733,569	12,232,353
<b>Total non-current assets</b>		<b>25,387,975</b>	<b>22,109,727</b>
<b>Total assets</b>		<b>182,360,661</b>	<b>148,101,453</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	2.6	8,306,933	4,195,148
Provisions for employee entitlements	2.7	47,938,095	40,654,779
Lease liability	3.3	1,341,629	1,301,247
<b>Total current liabilities</b>		<b>57,586,657</b>	<b>46,151,174</b>
<b>Non-current liabilities</b>			
Provisions for employee entitlements	2.7	34,055,264	28,270,190
Lease liability	3.3	6,481,460	7,823,089
<b>Total non-current liabilities</b>		<b>40,536,724</b>	<b>36,093,279</b>
<b>Total liabilities</b>		<b>98,123,381</b>	<b>82,244,453</b>
<b>Net assets</b>		<b>84,237,280</b>	<b>65,857,000</b>
<b>EQUITY</b>			
Called-up share capital	4.1	5,000	5,000
Profit and loss account	4.2	84,232,280	65,852,000
<b>Total equity</b>		<b>84,237,280</b>	<b>65,857,000</b>

The financial statements of IFM Investors (UK) Ltd, registered number 05857982 were approved by the Board of Directors and authorised for issue on 12 October 2023. These were signed on its behalf by:

*Esperanza Cerdán*

E. Cerdan

Director

17 October 2023

The accompanying notes form an integral part of these financial statements.

## Statement of changes in equity

for the year ended 30 June 2023

	Called-up share capital GBP	Profit and loss account GBP	Total equity GBP
<b>Balance as at 1 July 2021</b>	<b>5,000</b>	<b>47,065,208</b>	<b>47,070,208</b>
Profit for the financial year	-	18,786,792	18,786,792
<b>Balance as at 30 June 2022</b>	<b>5,000</b>	<b>65,852,000</b>	<b>65,857,000</b>
<b>Balance as at 1 July 2022</b>	<b>5,000</b>	<b>65,852,000</b>	<b>65,857,000</b>
Profit for the financial year	-	18,380,280	18,380,280
<b>Balance as at 30 June 2023</b>	<b>5,000</b>	<b>84,232,280</b>	<b>84,237,280</b>

# Notes to the financial statements

For the year ended 30 June 2023

## 01 GENERAL INFORMATION

### 1.1 REPORTING ENTITY

The Company is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The address of the Company's registered office is given on page 3. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 4.

These financial statements are separate financial statements. The principal accounting policies are summarised throughout the notes to the financial statements. They have all been applied consistently throughout the year and to the preceding year.

### 1.2 APPLICATION OF NEW AND REVISED STANDARDS

In the current period the Company has adopted all of the new and revised Accounting Standards and interpretations in accordance with Financial Reporting Standard (FRS) 101 "Reduced Disclosure Framework" that are relevant to its operations. The accounting standards and interpretations adopted during the current financial year have not had a material impact on the financial statements.

### 1.3 BASIS OF PRESENTATION

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) as issued by the Financial Reporting Council (FRC) and the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of employee long-term benefits which are measured at fair value (see note 2.7).

The Company meets the definition of a qualifying entity as its immediate parent company, IFM Investors Pty Ltd, prepares publicly available consolidated financial statements which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and that member is included in the consolidation.

As permitted by FRS 101, the Company has adopted the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective and related party transactions. Where relevant, equivalent disclosures have been given in the group accounts of IFM Investors Pty Ltd which are available to the public and can be obtained as set out in note 6.4.

#### Accounting policies

##### FOREIGN CURRENCY

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance sheet date are reported at the rates of exchange prevailing at that date.

Other exchange differences are recognised in profit or loss in the period in which they arise.

# Notes to the financial statements

FOR THE YEAR ENDED 30 June 2023

## 1.3 BASIS OF PRESENTATION (CONTINUED)

### Accounting policies (continued)

#### GOING CONCERN

The Company has cash of £13,099,172 and current assets of £156,972,686 as at 30 June 2023 (2022: £12,351,197 and £125,991,726 respectively). After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources and will continue in operational existence for at least twelve months from the date of signing of the financial statements.

The Directors and management of the Company have analysed forecasts and cash flow projections to assess the going concern of the Company. They have also considered the growth and expansion opportunities for the Company and do not expect any going concern issues.

#### CONSOLIDATION EXEMPTION

The Company has taken advantage of the exemption available in section 401 of The Companies Act 2006 with regards to the obligation to prepare and deliver consolidated financial statements. Therefore, the Company's financial statements present information about it as an individual undertaking. IFM Investors Pty Ltd, the Company's immediate parent, prepares consolidated financial statements into which the Company is consolidated. A copy of the consolidated financial statements can be obtained from the Australian Securities and Investments Commission as set out in Note 6.4.

#### CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described above, the Directors are required to make judgments, 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 relevant. Actual results may differ from these estimates.

The 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. There are no key sources of estimation or critical judgements.

# Notes to the financial statements

For the year ended 30 June 2023

## 02 IFM UK'S OPERATIONS

### 2.1 TURNOVER

	2023	2022
	GBP	GBP
Investment advisory fee	141,133,086	111,108,183
Other revenue	628,050	337,480
<b>Total turnover</b>	<b>141,761,136</b>	<b>111,445,663</b>

#### Accounting policies

#### INVESTMENT ADVISORY FEE

The investment advisory fee is attributable to the Company's principal activity as defined in the Strategic report, which is to provide investment management services to IFM Investors Pty Ltd, the Company's immediate parent company. The investment advisory fee reflects the significance of the operations and activities of the Company to its immediate parent company. Companies are designated as either mature or non-mature based upon their size, nature and global presence of products that contribute to the Group profitability in accordance with the transfer pricing policy. The Company generates its turnover through this hybrid transfer pricing model, including mark-ups on routine costs as well as a share of the residual profits generated by the parent company, following the reimbursement of non-mature operating entities in the group under the cost-plus basis. Residual profits are allocated between the Company, its immediate parent, and other mature members of the group based upon their relative involvement in the directing and performing of the operating activities of the group. The fee is recognised monthly based on the function of the the pricing model described.

#### OTHER REVENUE

The Company's other revenue stream comes from secondment fees specifically contracted. Secondment fees are measured at the fair value of the consideration received or receivable, and recognised as services are performed.

### 2.2 ADMINISTRATIVE EXPENSES

		2023	2022
	Note	GBP	GBP
Operating profit is stated after charging:			
Depreciation of tangible fixed assets	3.2	514,911	449,402
Auditor's remuneration	6.1	69,547	58,150
Staff remuneration costs	2.3.1	109,425,156	77,291,738
Directors' remuneration	2.3.2	1,538,226	989,651
Lease interest	3.3	261,059	300,225
Lease amortisation, rent and other office expenses	3.3	1,096,247	1,086,222
Consultant fees		2,465,012	158,902
Other operating costs		6,915,336	4,327,796
<b>Total administrative expenses</b>		<b>122,285,494</b>	<b>84,662,086</b>

# Notes to the financial statements

For the year ended 30 June 2023

## 2.3 REMUNERATION COSTS

### 2.3.1 Staff remuneration

	2023 Number	2022 Number
The average monthly number of employees (including executive directors) were:		
Operations	45	39
Sales	12	13
Administration	54	36
	<b>111</b>	<b>88</b>

	2023 GBP	2022 GBP
Their aggregate remuneration comprised:		
Wages and salaries	97,411,743	66,530,365
Social security costs	10,394,635	9,803,909
Other pension costs	1,618,778	957,464
	<b>109,425,156</b>	<b>77,291,738</b>

Other pension costs are related to a defined contribution scheme for employees.

### 2.3.2 Directors' remuneration

	2023 GBP	2022 GBP
Emoluments	1,521,726	977,651
Company contributions to pension schemes	16,500	12,000
	<b>1,538,226</b>	<b>989,651</b>

	2023 Number	2022 Number
The number of directors who:		
Are members of a defined contribution pension scheme	3	3

	2023 GBP	2022 GBP
Remuneration of the highest paid director:		
Emoluments	751,027	444,846
Company contributions to pension schemes	5,500	4,000
	<b>756,527</b>	<b>448,846</b>

No director was granted or exercised any share options in the year (2022: no grants or exercises).

Per the above disclosure, L Stevenson and D Cooper were remunerated by IFM Investors (UK) Ltd for the full financial year 2023. E Cerdan was remunerated by the company for from April 2023 to June 2023 following a global office relocation.

# Notes to the financial statements

For the year ended 30 June 2023

## 2.4 WORKING CAPITAL

### 2.4.1 Cash and cash equivalents

	2023	2022
	GBP	GBP
Cash and cash equivalents	13,099,172	12,351,197

#### Accounting policies

Cash comprises cash on hand and at bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 2.5 TRADE AND OTHER RECEIVABLES

	2023	2022
	GBP	GBP
Amounts owed by parent (*)	135,869,614	110,459,841
Other debtors	773,583	453,035
Prepayments	901,747	773,752
Excess income taxes paid	5,265,053	1,666,356
VAT receivable	1,063,517	287,545
<b>Total trade and other receivables</b>	<b>143,873,514</b>	<b>113,640,529</b>

(\*) The ageing profile of amount owed by the immediate parent company is reviewed annually to determine whether the balance constitutes a trading relationship or intercompany loan. An assessment deemed the Company's balance to be trading in nature therefore the amount outstanding is interest free, unsecured and repayable on demand.

#### Accounting policies

Trade and other receivables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method, less impairment. No interest is charged on trade and other receivables.

The Company recognises 12-month expected credit loss ("ECL") for all financial assets at amortised cost unless there has been a significant increase in credit risk since initial recognition, in which case the Company recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Using the ECL model, all trade and other receivables have been assessed to be fully recoverable with no impairment. Related party receivables are repayable on demand.

# Notes to the financial statements

For the year ended 30 June 2023

## 2.6 TRADE AND OTHER PAYABLES

	2023	2022
	GBP	GBP
<b>Amounts falling due within one year:</b>		
Amounts owed to parent company (*)	3,150,174	3,495,124
Accrual for other payable	5,156,759	700,024
<b>Total trade and other payables due within one year</b>	<b>8,306,933</b>	<b>4,195,148</b>

(\*) Amounts owed to parent company are deemed trading in nature therefore interest free, unsecured and repayable on demand.

### Accounting policies

Trade and other payables are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services. The average credit period on purchases of goods and services is 30 days. No interest is charged on the trade payables.

## 2.7 PROVISION FOR EMPLOYEE ENTITLEMENTS

	2023	2022
	GBP	GBP
Accrual for employee entitlements: due within one year	47,938,095	40,654,779
Accrual for employee entitlements: due after one year	34,055,264	28,270,190
	<b>81,993,359</b>	<b>68,924,969</b>

	GBP
Opening balance at 1 July 2022	68,924,969
Additional provisions accrued	83,321,271
Payments	(65,656,857)
Reversals	(983,267)
FX revaluations	(3,612,757)
<b>Closing balance at 30 June 2023</b>	<b>81,993,359</b>

### Accounting policies

#### PROVISION FOR EMPLOYEE ENTITLEMENTS

Liabilities recognised in respect of short term employee entitlements are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long term employee entitlements are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.



# Notes to the financial statements

For the year ended 30 June 2023

## Accounting policies (continued)

### PROVISION FOR EMPLOYEE ENTITLEMENTS (CONTINUED)

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### Wages, salaries and annual leave

The provision for employees' benefits in respect of wages, salaries and annual leave represents a present obligation to pay resulting from employees' services provided up to balance date.

### Incentives

The Company operates a number of discretionary reward schemes for staff, including annual bonuses and longer term incentives. Provisions are recognised by the Company in respect of reward schemes when a present obligation (whether legal or constructive) arises as a result of a past event, when it is probable that the Company will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

Where awards to staff represent long term incentives, their payment is subject to vesting conditions being satisfied, which can include continued employment, the maintenance of certain levels of employee performance and certain levels of business performance. The non-current components are recognised over the course of the vesting period as and when vesting conditions are satisfied, subject to any constructive obligations which exist which result in earlier recognition of non-current components at the point of grant. Payments are made over time as vesting conditions are satisfied. The considerations around vesting conditions being satisfied and the existence of constructive obligations requires management to exercise judgement. Included in employee benefits expense are Special Incentive Scheme ("SIS") accruals. Some of these Special Incentive Schemes are calculated as a percentage of performance fees, and are therefore subject to the methodology used in determining performance fees. The Company uses high quality corporate bond rates for discounting any non-current liabilities.

# Notes to the financial statements

For the year ended 30 June 2023

## 2.8 INCOME TAX

### 2.8.1 Tax on profit

	2023	2022
	GBP	GBP
The tax charge comprises:		
<b>Current tax on profit</b>		
UK corporation tax	6,696,339	8,336,116
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,661,469)	(5,074,611)
<b>Total tax on profit</b>	<b>5,034,870</b>	<b>3,261,505</b>
<b>Factors affecting charge for the year:</b>		
Profit before taxation	20,427,815	22,048,297
Tax on profit at standard rate of 19%	2,910,964	4,189,176
Tax on profit at standard rate of 25% (from 1 April 2023)	1,276,738	
Effects of:		
Tax over provided in prior years	(105,987)	411,769
Non-deductible expenses	5,320	7,896
Non-assessable income	-	(25,310)
Tax rate adjustment on timing differences	(1,703,070)	(1,164,732)
Relief for tax paid for foreign branches	(336,430)	(157,295)
<b>Total tax on profit</b>	<b>2,047,535</b>	<b>3,261,505</b>

Legislation was introduced in the Finance Bill 2021 setting the main rate of Corporation Tax for all non-ring fenced profits to 19% up to 31 March 2023, with an increase to 25% from 1 April 2023. The Company's average tax rate applied for the year ended 30 June 2023 is 20.5% (9 months at 19% and 3 months at 25%).

### 2.8.2 Deferred Tax

	2023	2022
	GBP	GBP
Movement in deferred tax asset:		
At 1 July	12,232,353	7,157,742
FY 2023 Movements	2,839,747	5,371,789
Prior Year Overs and Unders	1,661,469	(297,178)
<b>At 30 June</b>	<b>16,733,569</b>	<b>12,232,353</b>
The deferred tax asset is made up as follows:		
Timing differences	16,733,569	12,232,353

Deferred tax assets and liabilities have been offset for the entity. This is allowed as the entity has a legally enforceable right to do so where the assets and liabilities relate to income taxes levied by the same taxation authority, in respect to the same taxable entity, and the Company intends to settle its current assets and liabilities on a net basis.

The deferred tax asset at 30 June 2023 has been calculated having regard to the rate of 25% which is the rate of UK corporation tax for future years in which the underlying timing differences are expected to reverse. There is no expiry on timing differences.

# Notes to the financial statements

For the year ended 30 June 2023

## 2.8 INCOME TAX (CONTINUED)

### 2.8.2 Deferred Tax (continued)

#### Accounting policies

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the capitalisation date.

Deferred tax is recognised in respect of all timing differences and any unutilised tax credits and are recognised only to the extent that the Directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Timing differences are differences between the Company's taxable profits that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets and liabilities have been offset since the Company has the legal right to settle current tax amounts on a net basis and the amounts are levied by the same taxing authority.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

# Notes to the financial statements

For the year ended 30 June 2023

## 03 IFM UK'S ASSETS

### 3.1 INVESTMENTS

	2023 GBP	2022 GBP
Investment in IFM Infrastructure (UK) General Partner, LLP	50	50
<b>Total investments</b>	<b>50</b>	<b>50</b>

Country of incorporation	Address of the entity	Principal activity	Holding	%
United Kingdom	2 London Wall Place London EC2Y 5AU United Kingdom	Acting as general partner of IFM Global Infrastructure (UK) L.P.	Members capital	50

The company holds 50% of investment's capital in its associate, 50% of its profit sharing percentage and 10% of its voting rights, with the remaining held by its joint partner IFM Global Infrastructure (UK) L.P.

#### Accounting policies

#### INVESTMENTS

Investments are accounted for at cost less impairment and represent the Company's investment in IFM Infrastructure (UK) General Partner LLP.

### 3.2 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements GBP	Fixtures, fittings and equipment GBP	Total GBP
<b>Gross carrying amount</b>			
Balance at 30 June 2022	3,922,234	1,528,878	5,451,111
Additions	1,500	362,340	363,840
<b>Balance at 30 June 2023</b>	<b>3,923,734</b>	<b>1,891,218</b>	<b>5,814,951</b>
<b>Accumulated depreciation</b>			
Balance at 30 June 2022	(1,860,171)	(868,531)	(2,728,701)
Depreciation	(299,243)	(215,668)	(514,911)
<b>Balance at 30 June 2023</b>	<b>(2,159,414)</b>	<b>(1,084,199)</b>	<b>(3,243,612)</b>
<b>Net book value</b>			
As at 30 June 2022	2,062,063	660,347	2,722,410
<b>As at 30 June 2023</b>	<b>1,764,320</b>	<b>807,019</b>	<b>2,571,339</b>

# Notes to the financial statements

For the year ended 30 June 2023

## Accounting policies

### PROPERTY, PLANT AND EQUIPMENT

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

- Leasehold improvements                      Over the period of lease
- Fixtures, fittings and equipment        Average 3-7 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

### 3.3 LEASES

The right-of-use asset and lease liability below relate to the Company operating premises at Level 8 and 9, 2 London Wall Place, EC2Y 5AU. The 10 year lease has a commencement date of 3 March 2019 and expiry date of 4 March 2029 with a break option at the anniversary of the 7th year of the term.

#### Amounts recognised in the statement of financial position

	2023	2022
	GBP	GBP
<b>Right of use asset</b>		
Opening balance	7,154,914	8,226,811
Less: amortisation expense	(1,071,897)	(1,071,897)
<b>Total right of use asset</b>	<b>6,083,017</b>	<b>7,154,914</b>
<b>Lease liability *</b>		
Current	1,341,629	1,301,247
Non-current	6,481,460	7,823,089
<b>Total lease liability</b>	<b>7,823,089</b>	<b>9,124,336</b>

\* The weighted average incremental borrowing rate applied to the lease liability recognised on the balance sheet is 3.06%. (2022: 3.06%)

The cash outflow for lease payments during the year was £1,562,306 (2022: £1,562,306).

# Notes to the financial statements

For the year ended 30 June 2023

## 3.3 LEASES (CONTINUED)

Amounts recognised in the statement of profit and loss

	2023	2022
	GBP	GBP
Finance costs *	261,059	300,225
Amortisation on Right-of-use assets	1,071,897	1,071,897
Rent and other office expenses	24,350	14,325
<b>Total lease expenses</b>	<b>1,357,306</b>	<b>1,386,447</b>

\* Finance costs represent interest and finance charges on the unwinding of lease liabilities.

### Accounting policies

#### LEASES

For all leases with a term of more than 12 months and where the underlying asset is not considered to be of low value, a right-of-use asset and a corresponding liability is recognised, in accordance with International Financial Reporting Standard ("IFRS") 16 Leases.

The Company's incremental borrowing rate is the rate that it would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are depreciated over the lease term or estimated useful life, whichever is the shorter, using the straight line method.

# Notes to the consolidated financial statements

For the year ended 30 June 2023

## 04 IFM UK'S FINANCING

### 4.1 CALLED-UP SHARE CAPITAL AND RESERVES

	2023	2022
	GBP	GBP
Allotted, called-up and fully-paid 5,000 ordinary shares of £1 each	5,000	5,000
<b>Total called-up share capital and reserves</b>	<b>5,000</b>	<b>5,000</b>

The Company has one class of ordinary shares which carry no right to fixed income. The Company did not issue or repurchase any shares during the current or preceding year.

### 4.2 RETAINED EARNINGS

	2023	2022
	GBP	GBP
Accumulated profits at beginning of the financial year	65,852,000	47,065,208
Profit after tax	18,380,280	18,786,792
<b>Total retained earnings</b>	<b>84,232,280</b>	<b>65,852,000</b>

### 4.3 DIVIDENDS

#### Ordinary shares

The directors of the Company did not declare a dividend in 2023 (2022: nil).

# Notes to the financial statements

For the year ended 30 June 2023

## 05 IFM UK'S FINANCIAL RISK MANAGEMENT

### 5.1 FINANCIAL INSTRUMENTS

	NOTE	CLASSIFICATION	2023 GBP	2022 GBP
<b>Financial assets</b>				
Cash and cash equivalents	2.4.1	Amortised cost	13,099,172	12,351,197
Receivables	2.5	Amortised cost	143,873,514	113,640,529
Investments	3.1	Amortised cost	50	50
<b>Financial liabilities</b>				
Trade payables	2.6	Amortised cost	8,306,933	4,195,148
Provisions	2.7	Amortised cost	81,993,359	68,924,969
Lease liability	3.3	Amortised cost	7,823,089	9,124,336

#### Accounting policies

#### FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are classified based on the business model within which they are held, with financial assets being measured at cost where the objective is to collect contractual cash flows. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. All financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently measured at amortised cost using the effective interest rate method.

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below:

#### Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.



# Notes to the consolidated financial statements

FOR THE YEAR ENDED 30 June 2023

## 5.1 FINANCIAL INSTRUMENTS (CONTINUED)

### Accounting policies (continued)

#### FINANCIAL INSTRUMENTS (CONTINUED)

##### Financial assets

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

The Company derecognises financial instruments only when the contractual rights to the cash flows from the instrument expire, or when it transfers the financial instrument and substantially all the risks and rewards of ownership of the instrument to another entity. Financial assets and liabilities are only offset in the Balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

# Notes to the financial statements

For the year ended 30 June 2023

## 06 OTHER

### 6.1 REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the Company:

	2023 GBP	2022 GBP
<b>Deloitte and related network firms</b>		
<b>Audit or review of financial reports</b>		
- Company	38,920	27,040
<b>Statutory assurance services required by legislation to be provided by the auditor</b>		
	7,883	7,500
<b>Other services</b>		
- Tax compliance services	22,744	12,900
- Tax consulting services	-	10,710
	<b>22,744</b>	<b>23,610</b>
<b>Total remuneration of auditors</b>	<b>69,547</b>	<b>58,150</b>

The auditor of IFM Investors (UK) Ltd is Deloitte LLP.

### 6.2 RELATED PARTY DISCLOSURES

The Company has adopted the disclosure exemptions in FRS 101 in relation to the disclosure of transactions with and balances due to and from entities that form part of the 100% group into which the Company consolidates. Apart from those transactions with directors, as outlined in note 2.3.2, there were no other transactions with other related parties outside of the 100% group during the current or preceding financial year, and no balances due to or from such parties at the current or preceding reporting date.

The intercompany position payable to the Company reflects the effects of transfer pricing and cost settlements between the Company, and its immediate parent company and ultimate controlling party. At 30 June 2023 the Company was owed £132,719,439.51 (2022: £106,964,717.12)

### 6.3 SUBSEQUENT EVENTS

There have been no other matters or circumstances not otherwise dealt with in the financial statements that have significantly affected or may significantly affect the Company.

# Notes to the financial statements

For the year ended 30 June 2023

## 6.4 ULTIMATE PARENT COMPANY

The immediate parent of the company IFM Investors Pty Ltd and its ultimate controlling entity is Industry Super Holdings Pty Ltd. A copy of the consolidated financial statements for IFM Investors Pty Ltd and Industry Super Holdings Pty Ltd can be obtained by contacting Australian Securities and Investments Commission.

Industry Super Holdings prepares consolidated statements for the group.

The registered office of Industry Super Holdings Pty Ltd and IFM Investors Pty Ltd are located at the following address:

Level 31  
2 Lonsdale Street  
Melbourne VIC 3000  
Australia