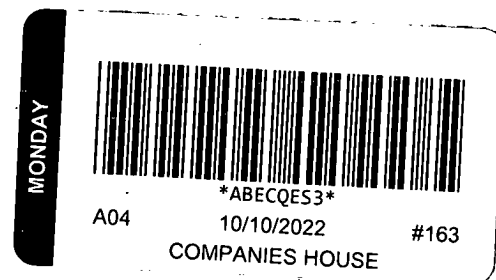


WELLINGTON REAL ESTATE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022



Company Number 04320746

**WELLINGTON REAL ESTATE LIMITED**

**COMPANY INFORMATION**

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**Directors**

A M Barrett  
J I S Buchanan (appointed 20 July 2021)  
A M Chandris  
D J Chandris  
J A Fife  
C MacDonald-Hall  
S S MacDonald-Hall  
A T Martin (appointed 26 October 2021)  
R G Mawby  
J H Roddis  
A E Tomazos  
C W Tranter

**Secretary**

C W Tranter

**Company Number**

04320746

**Registered Office**

LCP House  
The Pensnett Estate  
Kingswinford  
West Midlands  
DY6 7NA

**Auditors**

Azets Audit Services  
24 Park Road South  
Havant  
Hampshire  
PO9 1HB

**Bankers**

HSBC Bank plc  
PO Box 68  
130 New Street  
Birmingham  
B2 4JU

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WELLINGTON REAL ESTATE LIMITED

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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## WELLINGTON REAL ESTATE LIMITED

### REPORT OF THE DIRECTORS

#### FOR THE YEAR ENDED 31 MARCH 2022

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The Directors present their report and the audited financial statements for the company for the year ended 31 March 2022.

#### Review of the business

The principal activity of the company is the development and management of industrial and commercial properties and the provision of associated services.

The Directors are satisfied with the company's performance during the year, and its position at the year end.

The company is part of a group. A more detailed review of the group's activities, performance, and position at the year end can be found in the consolidated strategic report of London & Cambridge Properties Limited. The Directors consider that the group is managed as a whole and the company's review is appropriate in light of the group position.

#### Future developments

The company envisages no changes to the direction of its strategy.

#### Principal risks and uncertainties

The company perceives risk management as critical to achieving the strategic goals of the company. Risk management policies are designed to reduce the chance and impact of financial loss, to protect the reputation of the company and to improve the likelihood of successfully taking opportunities as they arise in the market. Regular Board meetings are held at which the adequacy of the existing risk mitigation policies and controls are reviewed and challenged, new risks are identified and prioritised.

Risk	Impact	Mitigation
<b>Financial risks</b>		
Liquidity / refinancing risk	Inability to fund operations, capital expenditure or to raise new or replacement funding	The company regularly monitors banking covenant headroom, leverage and committed, undrawn financing facilities. The company maintains regular contact with both existing and prospective providers of funding to evaluate options in advance of funding deadlines.
Credit risk: failure of bank and financial institution counterparties	Loss of cash deposits	The company has fostered relationships with a range of banks to provide deposit facilities for surplus cash balances. The company continuously reviews the credit ratings of these banks and spreads deposits across institutions with the higher credit ratings.
Tenant credit risk	Concern about a deterioration in economic activity, with a weakening of consumer confidence, may result in tenants facing difficult operating conditions which may result in increasing tenant default and vacancy rates.	The company operates procedures to reduce exposures by reviewing tenant covenants for new leases. Close contact and strong relationships are maintained with existing tenants to enable the company to consider actions to mitigate risk at the earliest opportunity. The company manages a diversified portfolio in the industrial and retail sectors which are predominantly multi-let sites and with a spread of lease end dates.
COVID-19 risk	The COVID-19 international pandemic has led to unprecedented measures taken across the globe including the UK. These measures include the enforced closure of most industries and restriction of peoples movements.	While the prevalence of COVID-19 in Europe has subsided, we remain vigilant to an increase in infections leading to further restrictions.
	This increases the possibility and potential severity of all risks disclosed above. They also introduce the risk of employee productivity and safety.	This includes regular communication with lenders, increased emphasis on cash collections and management of tenants to maximise recoveries while protecting occupancy levels going forward.
		Health & safety policies and practices were updated and IT equipment provided so employees could work remotely ensuring the company's continuity and continued trade.
		The offices opened in accordance with sensible Covid precautions and guidelines.

**WELLINGTON REAL ESTATE LIMITED**

**REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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**Directors**

The Directors who served during the year were:

A M Barrett	
J I S Buchanan	(appointed 20 July 2021)
A M Chandris	
D J Chandris	
J A Diamond	(resigned 30 April 2022)
J A Fife	
C MacDonald-Hall	
S S MacDonald-Hall	
A T Martin	(appointed 26 October 2021)
R G Mawby	
J H Roddis	
A Tomazos	
C W Tranter	

**Dividends**

The Directors have paid no interim dividend for the year and no final dividend is proposed. The loss for the year of £2,536 will be deducted from the reserves.

**Statement of Directors' responsibilities**

The Directors are responsible for preparing the Report of the Directors 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102). 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 and the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**WELLINGTON REAL ESTATE LIMITED**

**REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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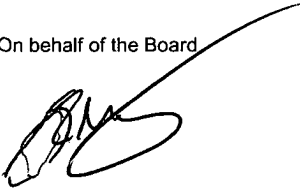
**Statement as to disclosure of information to the auditors**

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

The auditors, Azets Audit Services, will be proposed for re-appointment at the forthcoming annual general meeting.

On behalf of the Board



R G Mawby  
Director

Date: 28/09/2022.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
WELLINGTON REAL ESTATE LIMITED  
FOR THE YEAR ENDED 31 MARCH 2022**

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**Opinion**

We have audited the financial statements of Wellington Real Estate Limited for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of affairs of the company as at 31 March 2022 and of the loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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.

**Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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

- adequate accounting records have not been kept by the entity, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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 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 entities 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 entity or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
WELLINGTON REAL ESTATE LIMITED  
FOR THE YEAR ENDED 31 MARCH 2022**

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**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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the group, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the group is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Hutchinson (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services  
Chartered Accountants and Statutory Auditors  
24 Park Road South  
Havant  
Hampshire  
PO9 1HB

Date: 30 September 2022



**WELLINGTON REAL ESTATE LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
Turnover	6	275,507	265,308
Cost of sales		(98,798)	(84,402)
<b>Gross profit</b>		<b>176,709</b>	<b>180,906</b>
Administrative expenses		(38,630)	(53,348)
Deficit on revaluation of investment properties		(162,274)	(399,471)
<b>Operating loss</b>	7	<b>(24,195)</b>	<b>(271,913)</b>
Interest receivable and similar income	8	-	17
<b>Loss on ordinary activities before taxation</b>		<b>(24,195)</b>	<b>(271,896)</b>
Tax on loss on ordinary activities	9	21,659	29,072
<b>Loss for the financial year</b>		<b>(2,536)</b>	<b>(242,824)</b>

The profit and loss account relates solely to continuing operations as defined in FRS 102.

The notes on pages 9 to 14 form part of these financial statements.

## BALANCE SHEET

AS AT 31 MARCH 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	10	3,007,000	3,118,000
<b>Current assets</b>			
Stock and work in progress		280	18,074
Debtors	11	836,949	764,447
Cash at bank and in hand		<u>86,743</u>	<u>83,180</u>
		923,972	865,701
<b>Creditors: amounts falling due within one year</b>	12	(173,433)	(223,626)
<b>Net current assets</b>		<u>750,539</u>	<u>642,075</u>
<b>Net assets</b>		<u><u>3,757,539</u></u>	<u><u>3,760,075</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	10,000	10,000
Revaluation reserve		2,154,924	2,264,406
Profit and loss account		<u>1,592,615</u>	<u>1,485,669</u>
		<u><u>3,757,539</u></u>	<u><u>3,760,075</u></u>

The financial statements were approved and authorised for issue by the Board of Directors and signed on its behalf on 28/09/2022



C W Tranter  
Director



R G Mawby  
Director

The notes on pages 9 to 14 form part of these financial statements.

**WELLINGTON REAL ESTATE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	<b>Called-up share capital £</b>	<b>Revaluation reserve £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<b>At 31 March 2020</b>	10,000	3,008,804	984,095	4,002,899
Loss for the year	-	-	(242,824)	(242,824)
Transfer between reserves - revaluation of investment property	-	(399,471)	399,471	-
Deferred tax on revaluation of investment properties	-	50,649	(50,649)	-
Transfer between reserves	-	(395,576)	395,576	-
Total comprehensive income for the year	-	(744,398)	501,574	(242,824)
<b>At 31 March 2021</b>	<b>10,000</b>	<b>2,264,406</b>	<b>1,485,669</b>	<b>3,760,075</b>
Loss for the year	-	-	(2,536)	(2,536)
Transfer between reserves - revaluation of investment property	-	(162,274)	162,274	-
Deferred tax on revaluation of investment properties	-	52,792	(52,792)	-
Total comprehensive income for the year	-	(109,482)	106,946	(2,536)
<b>At 31 March 2022</b>	<b>10,000</b>	<b>2,154,924</b>	<b>1,592,615</b>	<b>3,757,539</b>

**WELLINGTON REAL ESTATE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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**1 Summary of significant accounting policies**

**Statement of compliance**

Wellington Real Estate Limited ("the company") is a private company limited by shares, incorporated in England and Wales. (Number 04320746). The registered office is LCP House, The Pensnett Estate, Kingswinford, West Midlands, DY6 7NA, which is also the company's principal place of business.

**2 Basis of preparation**

The company's financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and with the Companies Act 2006. The financial statements relate to Wellington Real Estate Limited as an individual entity.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through the profit and loss account.

FRS 102 allows a qualifying entity certain disclosure exemptions. The company has taken advantage of the exemption to disclose remuneration of key management personnel, as this is disclosed in the group accounts.

The company has taken advantage of the exemption for the requirement to prepare a statement of cash flows. (Section 7 of FRS 102 and para 3.17(d) of Section 3 of FRS 102).

**3 Significant judgements and estimates**

The preparation of financial statements requires the use of estimates and assumptions that affect reported amounts of assets and liabilities during the reporting period. These estimates and assumptions are based on management's best knowledge of the amount, event or actions. Actual results may differ from those amounts.

**(a) Key sources of estimation uncertainty**

**Valuation of investment properties**

Management has made key estimates over the valuation of properties that has a significant effect on the amounts recognised in the financial statements. The Director's carried out a valuation review of the investment properties to ensure they are shown at their fair value. The valuation is based upon assumptions including future rental income and an appropriate discount rate. Market evidence of transaction prices for similar properties were also considered in the valuation process.

**Bad Debt Provision**

Management has made key estimates over the level of bad debt provision in the financial statements. A detailed review of debtors is carried out as part of the year end process to ensure they are shown at their fair value. The level of the provision is based upon assumptions including past cash collection data and our knowledge of the tenant.

**(b) Significant judgements in applying the company's accounting policies**

**Classification of leases**

Management has to make significant judgements in the classification of various leases as either finance or operating leases. Leases are classified as finance leases whenever they transfer substantially all the risks and rewards of ownership to the company.

**4 Going concern**

After reviewing the company's forecasts and projections, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The company has focused its attentions on the management of tenants and the recovery of rentals due to the impact of COVID-19 and the measures taken by government. As a result the company has performed strongly and exceeded expectations on cash collections.

The company modelled a range of outcomes based on management expectations from a most likely, to a worst case scenario plan. All forecasts show the company has adequate resources and therefore continues to adopt the going concern basis in preparing its financial statements.

The Directors have further considered the risks and uncertainties facing the company through the Report of the Directors.

**WELLINGTON REAL ESTATE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

---

**5 Principal accounting policies**

**(a) Income Recognition**

**(ai) Turnover**

Turnover represents amounts due for the year in respect of gross rental income, estate related services and service charge income.

Where a rent-free period or stepped rent agreement is included in a lease, the rental income foregone is allocated evenly over the term of the lease.

Where a lease incentive payment, including surrender premiums paid, does not enhance the value of the property, it is amortised on a straight line basis over the period from the date of lease commencement to the date of lease expiration. Upon receipt of a surrender premium for the early determination of a lease, the profit, net of dilapidations and non-recoverable outgoings relating to the lease concerned, is immediately reflected in income.

**(aii) Revenue and profits on sale of investment properties**

Revenue and profits on sale of investment properties are taken into account on the exchange of contracts. The amount of profit recognised is the difference between sale proceeds and the carrying amount.

**(b) Stock and work in progress**

These are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to sell. In respect of work in progress, cost includes materials, labour and the attributable proportion of overhead expenses.

Property developments in the course of development are valued at the lower of cost and net realisable value. Cost for this purpose comprises the cost to the company of acquiring the land and development expenditure.

**(c) Taxation**

Current tax is recognised as the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Transfers between reserves in respect of revaluations are net of the related deferred tax.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

**(d) Investment property**

The company's properties are held for long-term investment. Investment properties are accounted for as follows:

- The company carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The key assumptions used to determine the fair value of investment property are explained in note 10.
- Freehold properties are recognised on the unconditional exchange of contracts.
- Development property comprises property acquired to be developed for future use as investment property and is measured at fair value.

WELLINGTON REAL ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

5 Principal accounting policies (continued)

(e) Transfer between profit and loss and revaluation reserves

Each financial period any gain or loss on the revaluation of investment property is transferred to the revaluation reserve. The unrealised gain or loss is transferred as part of the statement of changes in equity in order to clearly segregate it from other distributable reserves.

(f) Operating leases

The company has entered into commercial property leases as a lessor on its investment property portfolio. The classification of such leases as operating or finance lease requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

(g) Financial instruments

*Borrowings*

Borrowings are recognised initially at fair values less any attributable transaction costs. Finance charges and direct issue costs are accounted for on an accrual basis in the profit and loss account using the effective interest rate method.

*Trade and other receivables and payables*

Trade and other receivables are recorded at fair value. An impairment provision is made where there is objective evidence that the company will not be able to collect the amount in full. Trade and other payables are measured at fair value.

6 Turnover

The turnover and operating profit for the year were derived from the company's principal activity which was carried out wholly in the UK.

Turnover, analysed by category, was as follows:

	2022 £	2021 £
Rental income	268,045	251,367
Service charge income	-	13,941
Other income	7,462	-
	<u>275,507</u>	<u>265,308</u>

7 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after:

	2022 £	2021 £
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the company's annual accounts	6,227	6,075
Fees payable to the company's auditor and its associates for other services:		
Tax compliance services	(675)	(720)
Changes in fair value of investment properties	162,274	399,471

8 Interest receivable

	2022 £	2021 £
Other interest	<u>-</u>	<u>17</u>

WELLINGTON REAL ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

9 Tax on profit on ordinary activities

	2022 £	2021 £
(a) Tax expense included in the profit and loss account		
UK corporation tax at 19% (2021:19%)	27,078	20,303
Adjustments in respect of previous periods:		
UK corporation tax	2,339	431
Tax on results on ordinary activities	29,417	20,734
Deferred tax: origination and reversal of timing differences	1,716	843
Deferred tax: revaluation of investment properties	(52,792)	(50,649)
	(21,659)	(29,072)
(b) Reconciliation of tax charge		
The tax assessed for the year is different than the standard rate of corporation tax in the United Kingdom at 19% (2021:19%). The differences are explained as follows:	2022 £	2021 £
Profit on ordinary activities before tax	(24,195)	(271,896)
Profit on ordinary activities multiplied by standard rate of tax	(4,597)	(51,660)
Disallowed expenses	843	-
Differences arising from capital allowances	1,716	(50)
Property revaluation adjustments	(21,960)	25,250
Transfer pricing adjustments	-	(3,043)
Prior year adjustments	2,339	431
Tax on results on ordinary activities	(21,659)	(29,072)

10 Tangible fixed assets

	Investment properties freehold £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2021	3,118,000	66,520	3,184,520
Additions	51,274	-	51,274
Revaluations	(162,274)	-	(162,274)
At 31 March 2022	3,007,000	66,520	3,073,520
Depreciation			
At 1 April 2021 and at 31 March 2022	-	66,520	66,520
Net book amount 31 March 2022	3,007,000	-	3,007,000
Net book amount 31 March 2021	3,118,000	-	3,118,000

Freehold and leasehold investment properties are shown at their 31 March 2022 fair value, with changes in fair value being recognised in the profit and loss account.

At 31 March 2022, the company's Director's carried out a valuation review of the investment properties to ensure they are shown at their fair value. It is believed the company's Director's have extensive knowledge and experience within the property industry and specifically within the industrial and retail sectors that they are qualified to carryout such a review.

The properties have been valued by external professionally qualified valuers for refinancing purposes after year end. The valuation provided was not materially different to the Director's valuations.

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FOR THE YEAR ENDED 31 MARCH 2022

**10 Tangible fixed assets (continued)**

Investment properties excluding assets held as development assets are valued by adopting the "market value" and "market rent" basis of valuation, with the following significant assumptions:-

- that valuations are based upon the assumption of future income discounted at appropriate yield rates and market evidence of transaction prices for similar properties in the areas concerned.
- that full planning consent exists, or established use rights are available for the existing building and present uses.
- that there are no unusually onerous restrictions or obligations attaching to the properties.
- that the properties are assumed to be in good repair and condition.

On a historical cost basis, freehold land and buildings would have been included as follows:

	2022 £	2021 £
Cost	<u>1,035,076</u>	<u>983,802</u>

**11 Debtors**

	2022 £	2021 £
Trade debtors	21,492	50,146
Amounts owed by group undertakings	581,018	489,102
Other debtors	39,925	75,497
Prepayments and accrued income	18,624	24,888
Deferred tax asset (note 14)	175,890	124,814
	<u>836,949</u>	<u>764,447</u>

**12 Creditors: amounts falling due within one year**

	2022 £	2021 £
Trade creditors	70,411	99,112
Amounts owed to group undertakings	-	20,735
Other creditors	23,150	15,758
Accruals and deferred income	79,872	88,021
	<u>173,433</u>	<u>223,626</u>

**13 Financial instruments**

The company has the following financial instruments:

	2022 £	2021 £
<b>Financial assets</b>		
Cash	<u>86,743</u>	<u>83,180</u>

Financial assets that are debt instruments measured at amortised cost:

Trade receivables	21,492	50,146
Other receivables	620,943	564,599
	<u>642,435</u>	<u>614,745</u>

**Financial liabilities**

Financial liabilities measured at amortised cost:

Trade creditors	70,411	99,112
Other creditors	23,150	36,493
Accruals	13,245	30,796
	<u>106,806</u>	<u>166,401</u>



WELLINGTON REAL ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

14 Provisions for liabilities

		Deferred tax £
At 1 April 2021		(124,814)
Movement in the year:		
Movement in the year attributable to other timing differences		1,716
Movement in the year attributable to revaluation of investment properties		(52,792)
At 31 March 2022		<u>(175,890)</u>
	2022 £	2021 £
Accelerated capital allowances	7,110	5,394
Investment property revaluations	(183,000)	(130,208)
	<u>(175,890)</u>	<u>(124,814)</u>

15 Share capital and reserves

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
<b>Equity shares</b>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

All shares carry equal voting rights and rights to participate in any distribution.

**Revaluation reserve**

Where tangible fixed assets are revalued or reclassified as investment property, the cumulative increase in the fair value of the property at the date of reclassification in excess of any impairment losses is included in the revaluation reserve. Amounts shown in the revaluation reserve are net of associated deferred tax.

16 Operating lease commitments

**The company as lessor**

The company leases out all of its investment properties under operating leases.

Future aggregate minimum rentals receivable under non-cancellable operating leases are:

	2022 £	2021 £
Not later than one year	286,926	264,317
Later than one year but not later than five years	371,974	627,444
Later than five years	450,316	459,903
	<u>1,109,216</u>	<u>1,351,664</u>

Property rental income earned during the year was £268,044 (2021: £251,367). Lease terms vary depending upon the property use and the lease length.

17 Related party disclosures

Related party transactions with parent and fellow subsidiary undertakings have not been disclosed in accordance with the exemption conferred by FRS 102, section 33, paragraph 1A.

18 Ultimate parent undertaking

In the opinion of the Directors, the ultimate parent undertaking is Silver Bay Enterprises Limited, whilst Leathbond Limited, a company incorporated in England and Wales, is the largest consolidated group undertaking. There is no single controlling party.

The intermediate parent undertaking, and smallest consolidated group, is London and Cambridge Properties Limited.

Copies of the consolidated accounts can be obtained from Companies House.