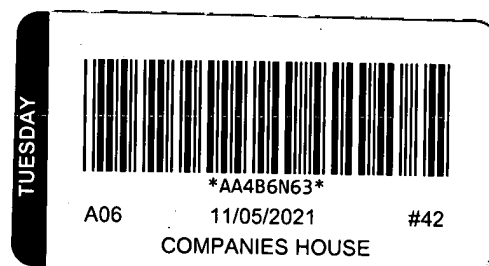


# Wallace Partnership Group Limited

## REPORT AND FINANCIAL STATEMENTS

For the year ended

31 December 2020



Company Registration No. 7780646

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# Wallace Partnership Group Limited

## OFFICERS AND PROFESSIONAL ADVISORS

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### DIRECTORS

M Platt  
L Padulli  
P Langford

### SECRETARY

N Chambers

### REGISTERED OFFICE

Botanic House  
Hills Road  
Cambridge  
CB2 1PH

### AUDITOR

RSM UK Audit LLP  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

### SOLICITORS

Mills & Reeve LLP  
Botanic House  
Hills Road  
Cambridge  
CB2 1PH

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# Wallace Partnership Group Limited

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# Wallace Partnership Group Limited

## DIRECTORS' REPORT

For the year ended 31 December 2020

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The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 December 2020.

### PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the company during the year under review was to hold investment in subsidiaries.

### GOING CONCERN

The directors have considered whether the going concern basis of accounting is appropriate with reference to profit, cash flow forecasts and also considering the worldwide pandemic of Covid-19 that struck in early 2020. The directors have concluded that the company has access to adequate resources which will enable it to continue in operational existence for the foreseeable future. These resources are detailed in the financial statements of the ultimate parent company, Albanwise Wallace Estates Limited, and the directors of that entity have confirmed ongoing support for the company in writing. For these reason they continue to adopt the going concern basis of accounting in preparing the financial statements.

### RESULTS AND DIVIDENDS

The results for the year are set out in the statement of comprehensive income on page 7. A dividend of £622,600 was paid during the year (2019: £140,000,000).

### DIRECTORS

The directors who served the company since 1 January 2020 and up to the date of approval of these financial statements were as follows:

M Platt  
L Padulli  
P Langford

### AUDITOR

The auditor RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these consolidated financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board



N Chambers  
Secretary  
8 April 2021

# Wallace Partnership Group Limited

## STRATEGIC REPORT

For the year ended 31 December 2020

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### REVIEW OF BUSINESS

During the year, the wider group completed a reorganisation with a newly incorporated company, Albanwise Wallace Estates Limited, becoming the ultimate parent undertaking in the United Kingdom. Intra-group transfers were made via issue of share capital and repayment of inter-company debt.

As a result of the intra-group reorganisation, Wallace Partnership Group Limited has ceased to be a subsidiary of Albanwise Limited and has gained control of a number of new subsidiary companies; Albanwise Limited, Abricot Limited, Albanwise Farming Limited and Pero Investments Limited.

The results for the year are set out in the statement of comprehensive income on page 6. A dividend of £622,600 was paid during the year (2019: £1,400,000).

Both the development of the business during the year and its financial position at the end of the year were in line with expectations.

### MATTERS OF STRATEGIC IMPORTANCE

#### *PRINCIPAL RISKS AND UNCERTAINTIES*

The principal risks and uncertainties faced by the group centre on the valuation of its properties, liquidity and interest rates. Independent valuations of the group's investment properties are obtained periodically to monitor the growth of the group and secure its financing arrangements. The group's major outgoing is the interest payable on its issued loan notes and the group monitors its liquidity to ensure it has sufficient funds to meet its debts as they fall due. The group also uses fixed term agreements to ensure cash income is matched to cash outgoings.

The group manages its exposure to interest rates by maintaining some debt at fixed rates to ensure certainty of future interest cash flows. This policy is reviewed on a regular basis to ensure it is appropriate.

The group also engages in risk management procedures, principally via its wholly-owned insurance brokerage and managing agent, to ensure that its responsibilities and liabilities in respect of properties are properly managed.

#### *KEY PERFORMANCE INDICATORS*

The business sets annual budgets against which it monitors performance. It also monitors rent collection rates for liquidity purposes. Given the straightforward nature of the business, the directors are of the opinion that further analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

By order of the board



N Chambers  
Secretary

8 April 2021

# Wallace Partnership Group Limited

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the affairs of the group and the company and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALLACE PARTNERSHIP GROUP LIMITED**

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## **Opinion**

We have audited the financial statements of Wallace Partnership Group Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

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

## **Other information**

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

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

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the 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.

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

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 material misstatements in the strategic report or the directors' report.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALLACE PARTNERSHIP GROUP LIMITED**

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

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

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

## **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALLACE PARTNERSHIP GROUP LIMITED

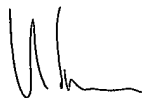
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testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments.

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

### 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.



HOWARD FREEDMAN (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

Date: 14 April 2021

# Wallace Partnership Group Limited

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

|   | <i>Notes</i> | For the year<br>ended 31<br>December 2020<br>£000 | For the year<br>ended 31<br>December 2019<br>£000 |
|---|--------------|---|---|
| Turnover  |              | -   | -   |
| Cost of sales   |              | -   | -   |
| <b>GROSS PROFIT</b>   |              | <u>-</u>  | <u>-</u>  |
| Administrative expenses   |              | (35)  | (7)   |
| <b>OPERATING PROFIT</b>   | <b>4</b>     | <u>(35)</u>                                       | <u>(7)</u>  |
| Investment income   |              | 23,763  | 147,077   |
| Interest receivable and similar income  | <b>5</b>     | 31  | 24  |
| Interest payable and similar charges  | <b>6</b>     | (61)  | (91)  |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>  |              | <u>23,698</u>                                     | <u>147,003</u>                                    |
| Taxation on profit on ordinary activities   | <b>7</b>     | -   | 1   |
| <b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION<br/>AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b> |              | <u><u>23,698</u></u>                              | <u><u>147,004</u></u>                             |

# Wallace Partnership Group Limited

## STATEMENT OF FINANCIAL POSITION

At 31 December 2020

Company number: 7780646

|   |       |               | As at 31<br>December<br>2020<br>£000 |                 | As at<br>31 December<br>2019<br>£000 |
|---|-------|---------------|--------------------------------------|-----------------|--------------------------------------|
|   | Notes | £000          | £000                                 | £000            | £000                                 |
| <b>FIXED ASSETS</b>                                     |       |               |                                      |                 |                                      |
| Investments   | 8     |               | 232,858                              |                 | 232,708                              |
| <b>CURRENT ASSETS</b>                                   |       |               |                                      |                 |                                      |
| Debtors   | 9     | 13,396        |                                      | 13,612          |                                      |
| Cash at bank and in hand                                |       | 27            |                                      | 29              |                                      |
|   |       | <u>13,423</u> |                                      | <u>13,641</u>   |                                      |
| <b>CURRENT LIABILITIES</b>                              |       |               |                                      |                 |                                      |
| Creditors: Amounts falling due within one year          | 10    | (8,761)       |                                      | (31,904)        |                                      |
| <b>NET CURRENT ASSETS</b>                               |       |               | <u>4,662</u>                         | <u>(18,263)</u> |                                      |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>            |       |               | <u>237,520</u>                       | <u>214,445</u>  |                                      |
| Creditors: Amounts falling due after more than one year | 11    |               | (4,056)                              | (4,056)         |                                      |
| <b>NET ASSETS</b>                                       |       |               | <u>233,464</u>                       | <u>210,389</u>  |                                      |
| <b>CAPITAL AND RESERVES</b>                             |       |               |                                      |                 |                                      |
| Called up share capital                                 | 12    |               | 25,011                               | 25,010          |                                      |
| Capital reserve   |       |               | 53,571                               | 38,257          |                                      |
| Retained earnings                                       |       |               | 154,882                              | 147,122         |                                      |
| <b>TOTAL EQUITY</b>                                     |       |               | <u>233,464</u>                       | <u>210,389</u>  |                                      |

The financial statements on pages 7 to 16 were approved by the board of directors and authorised for issue on 8 April 2021 and are signed on its behalf by:



M Platt  
Director

# Wallace Partnership Group Limited

## STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2020

|  | Called-up<br>Share capital<br>£000 | Capital<br>reserve<br>£000 | Retained<br>earnings<br>£000 | Total<br>£000 |
|--|------------------------------------|----------------------------|------------------------------|---------------|
| BALANCE AT 1 January 2019                          | 11                                 | 38,257                     | 117                          | 38,385        |
| Issue of share capital                             | 165,000                            | -                          | -                            | 165,000       |
| Reduction in share capital                         | (140,000)                          | -                          | 140,000                      | -             |
| Profit and total comprehensive income for the year | -                                  | -                          | 147,004                      | 147,004       |
| Dividends  | -                                  | -                          | (140,000)                    | (140,000)     |
| BALANCE AT 31 DECEMBER 2019                        | 25,011                             | 38,257                     | 147,121                      | 210,389       |
| BALANCE AT 1 JANUARY 2020                          | 25,011                             | 38,257                     | 147,121                      | 210,389       |
| Issue of share capital                             | -                                  | -                          | -                            | -             |
| Reduction in share capital                         | -                                  | -                          | -                            | -             |
| Profit and total comprehensive income for the year | -                                  | -                          | 23,698                       | 23,698        |
| Transfer to/from profit or loss                    | -                                  | 15,314                     | (15,314)                     | -             |
| Dividends  | -                                  | -                          | (623)                        | (623)         |
| BALANCE AT 31 DECEMBER 2020                        | 25,011                             | 53,571                     | 154,882                      | 233,464       |

# Wallace Partnership Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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### 1 GENERAL INFORMATION

The company is an investment holding company. The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Botanic House, Hills Road, Cambridge, CB2 1PH.

### 2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and under the historical cost convention.

#### REDUCED DISCLOSURES

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosures:

- Section 4 ‘Statement of Financial Position’ – Reconciling the opening and closing number of shares;
- Section 7 ‘Statement of Cash Flows’ – Presentation of a Cash Flow and related notes and disclosures;
- Section 11 ‘Basic Financial Instruments’ & Section 12 ‘Other Financial Instruments Issues’ – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 ‘Related Party Disclosures’ – Compensation for key management personnel.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ACCOUNTING CONVENTION

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £’000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### GOING CONCERN

The directors have considered whether the going concern basis of accounting is appropriate with reference to profit, cash flow forecasts and also considering the worldwide pandemic of Covid-19 that struck in early 2020. The directors have concluded that the company has access to adequate resources which will enable it to continue in operational existence for the foreseeable future. These resources are detailed in the financial statements of the ultimate parent company, Albanwise Wallace Estates Limited, and the directors of that entity have confirmed ongoing support for the company in writing. For these reason they continue to adopt the going concern basis of accounting in preparing the financial statements.

# Wallace Partnership Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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### ***INTEREST PAYABLE***

Interest payable on debt is recognised in profit or loss over the term of the investment at a constant rate on the carrying amount.

### ***TAXATION***

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when the tax paid exceeds the tax payable.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other years. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting year.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is measured on a non-discounted basis.

### ***FIXED ASSET INVESTMENTS***

In the separate accounts of the company interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

### ***ASSET IMPAIRMENTS***

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist an estimate is made of the recoverable amount of the asset.

Shortfalls between the carrying value of the fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

# Wallace Partnership Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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### **FINANCIAL INSTRUMENTS**

The group has elected to apply the provisions of Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instruments Issues” of FRS 102 in full to all of its financial instruments. Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Basic financial assets, which include other debtors and amounts due from group undertakings which are repayable on demand are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost, being the transaction price less any amounts settled and any impairment losses.

The group has also entered into fixed term agreements with its bankers in order to help manage its cash flow risk and meet its liabilities under the terms of the loan notes which have a return linked to rpi. These financial assets are accounted for as basic financial instruments and initially recognised at transaction price and subsequently measured at amortised cost.

Financial assets are only derecognised when the contractual rights to the cash flows from the asset expire or are settled or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

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. Equity instruments issued by the company are recorded at the proceeds received net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Basic financial liabilities, which include trade creditors, other creditors and amounts due to group undertakings which are repayable on demand are initially measured at transaction price and are subsequently carried at amortised cost, being the transaction price less any amounts paid.

All loans are also accounted for as basic financial instruments and initially recognised at transaction price and subsequently measured at amortised cost.

Financial liabilities are derecognised when, and only when, the company’s contractual obligations are discharged, cancelled or they expire.

### **4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The audit fee for the group of companies to which the company belongs is borne by a group undertaking and is not separately identifiable. The company has no employees (2019: nil) and the directors received no emoluments during the year (2019: nil).

| <b>5</b> | <b>INTEREST RECEIVABLE AND SIMILAR INCOME</b> | <b>2020</b> | <b>2019</b> |
|----------|---|-------------|-------------|
|          |   | <b>£000</b> | <b>£000</b> |
|          | Other interest receivable                     | 31          | 24          |
|          |   | <u>31</u>   | <u>24</u>   |

# Wallace Partnership Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

|          |   |             |             |
|----------|---|-------------|-------------|
| <b>6</b> | <b>INTEREST PAYABLE AND SIMILAR CHARGES</b> | <b>2020</b> | <b>2019</b> |
|          |   | <b>£000</b> | <b>£000</b> |
|          | Interest payable on loans and overdrafts    | 61          | 91          |
|          |   | <u>61</u>   | <u>91</u>   |

|          |  |             |             |
|----------|--|-------------|-------------|
| <b>7</b> | <b>TAXATION</b>  | <b>2020</b> | <b>2019</b> |
|          |  | <b>£000</b> | <b>£000</b> |
|          | <i>Tax included in statement of comprehensive income</i>                                       |             |             |
|          | UK corporation tax has been charged at 19% (2019: 19%). The tax charge is analysed as follows: |             |             |
|          | UK corporation tax on profits of the year  | -           | -           |
|          | Adjustment in respect of prior years   | -           | 1           |
|          | Total current tax  | <u>-</u>    | <u>1</u>    |
|          | Movement in deferred tax asset (note 16)   | -           | -           |
|          | Movement in deferred tax liability (note 21)   | -           | -           |
|          | Total tax included in profit or loss   | <u>-</u>    | <u>1</u>    |

## 8 FIXED ASSET INVESTMENTS

### Company

|   |                |
|---|----------------|
| <b>Other investments</b>                        | <b>£000</b>    |
| Cost and net book value:                        |                |
| At 1 January 2020                               | 232,708        |
| Investment movement in subsidiary undertakings: |                |
| Grays Inn Capital                               | (450)          |
| Albanwise Synergy Limited                       | 600            |
| At 31 December 2020                             | <u>232,858</u> |



# Wallace Partnership Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

| Company  | Country of registration<br>or incorporation | Shares held<br>Class | %   |
|--|---|----------------------|-----|
| Wallace Estates Limited                                    | England & Wales                             | Ordinary             | 100 |
| Wallace Partnership Reversionary Group<br>Holdings Limited | England & Wales                             | Ordinary             | 100 |
| Simarc Property Management Limited                         | England & Wales                             | Ordinary             | 100 |
| MB2005 No 1 Limited  | England & Wales                             | Ordinary             | 100 |
| WEL (No 1) Limited   | England & Wales                             | Ordinary             | 100 |
| WEL (No 2) Limited   | England & Wales                             | Ordinary             | 100 |
| WEL (No 3) Limited   | England & Wales                             | Ordinary             | 100 |
| WEL (No 4) Limited   | England & Wales                             | Ordinary             | 100 |
| Gray's Inn Holdings Limited                                | England & Wales                             | Ordinary             | 100 |
| Albanwise Limited  | England & Wales                             | Ordinary             | 100 |
| Albanwise Farming Limited                                  | England & Wales                             | Ordinary             | 100 |
| Abricot Limited  | England & Wales                             | Ordinary             | 100 |
| The Pero Investments Limited                               | England & Wales                             | Ordinary             | 100 |
| Albanwise Synergy Limited                                  | England & Wales                             | Ordinary             | 100 |
| No Risk No Reward Limited                                  | England & Wales                             | Ordinary             | 100 |

Details of investments held by Wallace Estates Limited, Wallace Partnership Reversionary Group Holdings Limited, Gary's Inn Holdings Limited, Simarc Property Management Limited and Albanwise Limited are listed in the financial statements of those companies. All subsidiary companies are registered at Botanic House, Hills Road, Cambridge CB2 1PH.

In the opinion of the directors, the aggregate value of the investments in subsidiary undertakings is not less than the amount at which it is stated in the balance sheet.

|          |                                    |               |               |
|----------|------------------------------------|---------------|---------------|
| <b>9</b> | <b>DEBTORS</b>                     | <b>2020</b>   | <b>2019</b>   |
|          |                                    | <b>£000</b>   | <b>£000</b>   |
|          | Amounts owed by group undertakings | 13,396        | 13,612        |
|          |                                    | <u>13,396</u> | <u>13,612</u> |

# Wallace Partnership Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

### 10 CREDITORS: Amounts falling due within one year

|                                    | 2020<br>£000 | 2019<br>£000  |
|------------------------------------|--------------|---------------|
| Amounts owed to group undertakings | 8,623        | 31,902        |
| Accruals                           | 138          | -             |
|                                    | <u>8,761</u> | <u>31,902</u> |

### 11 CREDITORS: Amounts falling due after one year

|                                  | 2020<br>£000 | 2019<br>£000 |
|----------------------------------|--------------|--------------|
| Loan from associated undertaking | 4,056        | 4,056        |
|                                  | <u>4,056</u> | <u>4,056</u> |

The company entered into a loan agreement with Phragmites Limited in 2018 as part of the funding of the acquisition of the Gray's Inn portfolio. Whilst part of this loan was repaid during the year, the company has entered into a loan agreement with subsidiary WEL (No 2) Limited to assist with expansion and the financing of ground rent portfolios. Details of the acquisitions can be found in the financial accounts of WEL (No 2) Limited.

### 12 SHARE CAPITAL AND RESERVES

|  | 2020<br>£000  | 2019<br>£000  |
|--|---------------|---------------|
| Authorised<br>25,010,080 (2018: 11,400) ordinary shares of £1 each                         | <u>25,011</u> | <u>25,011</u> |
| Allotted, called up and fully paid<br>25,010,800 (2018: 10,800) ordinary shares of £1 each | <u>25,011</u> | <u>25,011</u> |

A dividend of £622,600 was paid by the company during the year (2019: £140,000,000). This dividend was part of the group reorganisation.

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

Retained earnings is the cumulative profit and loss, net of distribution to owners.

# Wallace Partnership Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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### 13 CONTROL

The company is under the control of Perseverance Limited, which is registered in Gibraltar.

The immediate parent undertaking of the company is Albanwise Wallace Estates Limited, which is based in the United Kingdom. Consolidated accounts have been prepared for Albanwise Wallace Estates Limited, which is registered at Botanic House, Hills Road, Cambridge CB2 1PH and heads the largest group of undertakings for which accounts have been drawn up. These are available from the registered office. The ultimate parent undertaking of the company is Perseverance Limited, which is registered in Gibraltar.