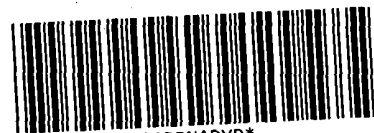


WELLESLEY GROUP LIMITED

Unaudited Filleted Financial Statements
for the year ended 31 December 2021

Company Number 09811856

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WELLESLEY GROUP LIMITED

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WELLESLEY GROUP LIMITED

Company Information
for the year ended 31 December 2021

Directors

Andrew Turnbull

Garret Graham the Earl of Cowley (Resigned on 06 April 2021)

Registered Office

483 Green Lanes, London, N13 4BS

Company Registration Number

09811856

Legal Advisers

Shoosmiths, 2 Colmore Square, 38 Colmore Circus Queensway, Birmingham, B4 6SH

WELLESLEY GROUP LIMITED

Statement of Financial Position as at 31 December 2021

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Tangible assets	5	6	31
NON-CURRENT ASSETS			
Investments in group undertakings	6	428	948
Other investments	7	21,187	48
CURRENT ASSETS			
Other debtors	8	19	76
TOTAL ASSETS		21,640	1,103
CURRENT LIABILITIES			
Creditors	9	20,428	19,262
TOTAL LIABILITIES		20,428	19,262
NET ASSETS		1,212	(18,159)
CAPITAL AND RESERVES			
Share capital	10	0	-
Reserves	11	1,212	(18,159)
SHAREHOLDERS' FUNDS		1,212	(18,159)

The issued share capital at the end of the current and preceding year totals £1, but as the financial statements are presented in £'000s it is rounded down to zero.

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006; *and*
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

WELLESLEY GROUP LIMITED

Statement of Financial Position as at 31 December 2021

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

These financial statements were approved by the Board of directors on 29 September 2022 and were signed on its behalf by:



Andrew Turnbull
Director
Company number 09811856

The notes on pages 4 to 8 are an integral part of these financial statements.

WELLESLEY GROUP LIMITED

Notes forming part of the financial statements for the year ended 31 December 2021

1 STATUTORY INFORMATION

Wellesley Group Limited is an intermediate holding company. The Company's registered number is 09811856 and registered office at 483 Green Lanes, London, N13 4BS.

2 BASIS OF PREPARATION

Accounting basis

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The comparative is for the year ended 31 December 2020.

The presentational currency of the financial statements is Pound Sterling and all amounts are rounded to the nearest £1,000.

The Company has taken the exemption from preparing a statement of Cash Flows and Statement of Changes in Equity in accordance with section 1A paragraph 1A.7. Wellesley Group Investors Limited, registration number 08478238 registered office at 483 Green Lanes, London, N13 4BS, is the immediate and ultimate parent company, which prepares consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"). The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated accounts of the ultimate parent. The particular accounting policies adopted by the Director are described below and have been applied consistently year on year.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Expenses

Expenses incurred by the Company are accounted for on an accruals basis.

3.2 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. It is recognised in the statement of comprehensive income except to the extent that it relates to a business combination, or items recognised directly in equity or in equity through other comprehensive income.

Current tax

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 substantially enacted by the period end date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

3.3 Investments in Group undertakings

Investments in Group undertakings are initially recognised at cost. At each reporting date, an assessment is made as to whether there is any indication that the investment may be impaired. If such an indication exists, the Group estimates the investment's recoverable amount which is taken to be the recoverable/realisable value. Impairment assessment is carried out at the reporting date, comparing carrying value to the current NAV (Net Asset Value) of the group undertaking. If the NAV is lower than the carrying value, an impairment is therefore recognised through the Income Statement.

WELLESLEY GROUP LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2021

1 STATUTORY INFORMATION

Wellesley Group Limited is an intermediate holding company. The Company is a registered number is 08811826 and registered office at 483 Green Lane, London, N13 4BS.

2 BASIS OF PREPARATION

Accounting basis
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2003. The financial statements have been prepared under the historical cost convention.

The comparative is for the year ended 31 December 2020.

The presentational currency of the financial statements is Pound Sterling and all amounts are rounded to the nearest £1,000.

The Company has taken the exemption from preparing a statement of Cash Flows and Statement of Changes in Equity in accordance with section 1A paragraph 1A.7. Wellesley Group Investors Limited, registration number 08478238 registered office at 483 Green Lane, London, N13 4BS, is the immediate and ultimate parent company, which prepares consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"). The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated accounts of the ultimate parent. The particular accounting policies adopted by the Director are described below and have been applied consistently year on year.

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WELLESLEY GROUP LIMITED

Notes forming part of the financial statements for the year ended 31 December 2021

3.4 Tangible assets

Items of tangible assets are stated at cost less accumulated depreciation and any provision for impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset or costs incurred in bringing the asset to use. Depreciation is provided on all tangible assets, at rates calculated to write off the cost of each asset to realisable values on a straight-line basis over its expected useful life, as follows:

- Computer equipment – five years

3.5 Pension costs

The Company operates a defined contribution pension scheme. Contributions to defined contribution scheme are recognised as employee benefit expense when they are due. Contributions payable by the Company for the year amounted to £18,705 (2020: £59,769).

3.6 Gain on investment

The Company held equity instruments only for the purpose of proprietary trading. Shareholdings are initially recognised at purchase price on the date on which a contract is entered into and are subsequently re-measured at mark-to-market (MtM) value that results into recognition of unrealised gains and losses. Such MtM values are obtained from quoted market prices in active markets.

In instances when equity instruments are sold and any gains and losses are 'realised', all unrealised gains or losses are reversed, and the any gain or loss based on the actual sale price is recognised through the income statement. Any directly attributable costs in relation to sale or transfer of such shareholdings is charged to the income statement.

4 EMPLOYEES AND DIRECTORS

The average number of persons employed by the Company during the year was 2 (2020: 15).

5 TANGIBLE ASSETS

Computer equipment	2021 £'000	2020 £'000
<i>Cost</i>		
At the beginning of the year	38	-
Additions	-	38
Disposals	(25)	-
At the end of the year	13	38
<i>Amortisation</i>		
At the beginning of the year	7	-
Amortisation charge for the year	8	-
Impairment	(8)	-
At the end of the year	7	7
<i>Net book value</i>		
At the beginning of the year	31	-
At the end of the year	6	31

WELLESLEY GROUP LIMITED

Notes forming part of the financial statements for the year ended 31 December 2021

6 INVESTMENTS IN GROUP UNDERTAKINGS

	2021 £'000	2020 £'000
At the beginning of year	948	1,971
Impairment of subsidiaries	(520)	(1,023)
At end of year	428	948

Following a comparison of the amount invested in subsidiary entities versus the Net Asset Values of those entities, the impairment of the investment in subsidiaries has been increased by £520k (2020: £1,023k). The impairment charge during current reporting period was in relation to Wellesley & Co Limited (2020: Wellesley & Co Limited).

During the reporting period, Freshford Mill Limited and Freshford Mill Development (Phase II) Limited were incorporated on 5 January 2021 and 9 February 2021 respectively as new subsidiaries of the Company. The Company owns £1 share capital in each new subsidiary.

The Company has the following subsidiary companies:

Company Name	Country of incorporation	Class of share held	Ownership	Principal activity
Wellesley & Co Limited	England & Wales	Ordinary	100%	Peer to peer lending platform
Wellesley Finance Limited	England & Wales	Ordinary	100%	Property lending company
Wellesley Investment Services Limited	England & Wales	Ordinary	100%	Managing an investment
Wellesley Nominees Limited	England & Wales	Ordinary	100%	Dormant
Wellesley Bridging Co Limited	England & Wales	Ordinary	100%	Financing company
Freshford Mill Limited	England & Wales	Ordinary	100%	Property management company
Freshford Mill Development (Phase II) Limited	England & Wales	Ordinary	100%	Property development company
Cloverleaf 374 Limited	England & Wales	Ordinary	100%	Managing an investment
Cloverleaf 376 Limited	England & Wales	Ordinary	100%	Property lending company

The Company does not prepare consolidated financial statements as its parent, Wellesley Group Investors Limited, consolidates all subsidiaries. The consolidated financial statements of Wellesley Group Investors Limited for the year ended 31 December 2021 will be available at Companies House.

The registered address of all subsidiary companies is 483 Green Lanes, London, N13 4BS.

During the reporting period, the Company acquired 99.9% membership interest in Generator (Chocolate Factory) LLP registration number OC385309 registered in England & Wales.

7 OTHER INVESTMENTS

Other investments in prior year consisted of listed shares purchased by the Company for purpose of proprietary trading. The Company disposed of all of its shares at fair value. All gains and losses were realised within the reporting period.

At the reporting date, other investments consist of membership interest from Generator (Chocolate Factory) LLP of £21,187k (2020: nil)

WELLESLEY GROUP LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2021

INVESTMENTS IN GROUP UNDERTAKINGS

2021	2020
£,000	£,000
948	1,271
(250)	(1,023)
948	248

At the beginning of year
Impairment of subsidiaries
At end of year

Following a comparison of the amount invested in subsidiary entities versus the Net Asset Values of those entities, the impairment of the investment in subsidiaries has been increased by £250k (2020: £1,023k). The impairment charge during current reporting period was in relation to Wellesley & Co Limited (2020: Wellesley & Co Limited).

During the reporting period, Freshford Mill Limited and Freshford Mill Development (Phase II) Limited were incorporated on 5 January 2021 and 9 February 2021 respectively as new subsidiaries of the Company. The Company owns 51 share capital in each new subsidiary.

The Company has the following subsidiary companies:

Company Name	Country of incorporation	Class of share held	Ownership	Principal activity
Wellesley & Co Limited	England & Wales	Ordinary	100%	Peer to peer lending platform
Wellesley Finance Limited	England & Wales	Ordinary	100%	Property lending company
Wellesley Investment Services Limited	England & Wales	Ordinary	100%	Managing an investment
Wellesley Nominees Limited	England & Wales	Ordinary	100%	Domestic
Wellesley Bridging Co Limited	England & Wales	Ordinary	100%	Financing company
Freshford Mill Limited	England & Wales	Ordinary	100%	Property management company
Freshford Mill Development (Phase II) Limited	England & Wales	Ordinary	100%	Property development company
Cloverleaf 374 Limited	England & Wales	Ordinary	100%	Managing an investment
Cloverleaf 376 Limited	England & Wales	Ordinary	100%	Property lending company

The Company does not prepare consolidated financial statements as its parent, Wellesley Group Investors Limited, consolidates all subsidiaries. The consolidated financial statements of Wellesley Group Investors Limited for the year ended 31 December 2021 will be available at Companies House.

The registered address of all subsidiary companies is 483 Green Lanes, London, N13 4BS.

During the reporting period, the Company acquired 99.9% membership interest in Generator (Chocolate Factory) LLP, registration number OC385309 registered in England & Wales.

OTHER INVESTMENTS

Other investments in prior year consisted of listed shares purchased by the Company for purpose of proprietary trading. The Company disposed of all of its shares at fair value. All gains and losses were realised within the reporting period.

At the reporting date, other investments consist of membership interest from Generator (Chocolate Factory) LLP of £21,187k (2020: nil).

WELLESLEY GROUP LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2021

8 OTHER DEBTORS

	2021 £'000	2020 £'000
Other receivables	-	45
Prepayments	7	31
Balance owed by affiliate entity	12	-
	19	76

9 CREDITORS

	2021 £'000	2020 £'000
Trade payables	10	23
Accruals and deferred income	12	32
Other payables	3	9
Amounts owed to group undertakings	20,403	19,198
	20,428	19,262

10 SHARE CAPITAL

	2021 £	2020 £
1 issued ordinary share at £1 each (2020: 1)	1	1

At the year end the Company had 1 authorised share (2020: 1), and this share has equal voting rights and rights to capital distribution

11 RESERVES

	Retained earnings £'000
Balance at 1 January 2021	(18,159)
Profit for the year	19,373
Balance at 31 December 2021	1,212

12 RELATED PARTY TRANSACTIONS

Related parties of the Company include key management personnel, close family members of key management personnel and entities which are controlled, jointly controlled or significantly influenced, or for which significant voting power is held, by key management personnel or their close family members. Key management personnel are defined as the Directors.

The balance with fellow subsidiaries of Wellesley Group Investors Limited:

	2021 £'000	2020 £'000
Balance owed by affiliate entity	(12)	-
Balance owed to parent	19,046	17,889
Balance owed to fellow subsidiaries	1,357	1,309
Balance owed by Directors	-	(45)
	20,391	19,153

WELLESLEY GROUP LIMITED

Notes forming part of the financial statements for the year ended 31 December 2021

13 ULTIMATE CONTROLLING PARTY

Wellesley Group Investors Limited ("WGIL"), a company incorporated in England, is the immediate parent of the Company. WGIL prepares consolidated financial statements which includes the results of the Company for the year. WGIL has the same registered address as the Company which is 483 Green Lanes, London, N13 4BS.

Garret Graham the Earl of Cowley is the ultimate controlling party by virtue of his shareholding in Wellesley Group Investors Limited.

14 ADOPTION OF NEW REPORTING FRAMEWORK

These financial statements, for the year ended 31 December 2021, are the first the Company has prepared in accordance with FRS 102. For periods up to and including the year ended 31 December 2020, the Company prepared its financial statements in accordance with International Financial Reporting Standards ("IFRS").

Accordingly, the Company has prepared financial statements that comply with FRS 102 applicable as at 31 December 2021, together with the comparative period data for the year ended 31 December 2020, as described in the summary of significant accounting policies.

There were no adjustments required to the Company's opening statement of financial position as at 1 January 2020, the date of transition to FRS 102, the financial statements as of, and for the year ended 31 December 2020.