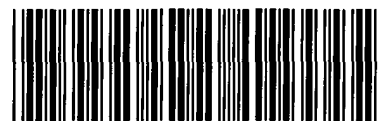


Wimpole Investment Holdings Limited

Registered number 12362632

Annual Report - 31 March 2022

WEDNESDAY



ABUZ3J01

A11

11/01/2023

#11

COMPANIES HOUSE

Wimpole Investment Holdings Limited
Contents
31 March 2022

Corporate directory	2
Directors' report	3
Directors' responsibilities statement	5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10

Wimpole Investment Holdings Limited
Corporate directory
31 March 2022

Directors	Saul Jonathan Forman Crispin James De Grave Gandy
Legal form	Wimpole Investment Holdings Limited is a private limited company.
Principal activities	The nature of the Company operations and its principal activities are set out in the Directors' report.
Registered office	17 Portland Place, London, England, W1B 1PU.
Principal place of business	The management control and ultimate income is derived from passive investment situated in the UK.
Country of Incorporation	Wimpole Investment Holdings Limited ("Wimpole" or "the Company") is incorporated in United Kingdom.
Company number	12362632

Wimpole Investment Holdings Limited
Directors' report
31 March 2022

The directors present their report, together with the financial statements, on the company for the period ended 31 March 2022.

Wimpole Investment Holdings Limited was incorporated on 13 December 2019 in United Kingdom with company number 12362632.

On 5 February 2020, Wimpole completed acquisition of a retail park in London with total gross lettable area ("GLA") of 157,767 square feet valued at £44m at acquisition. It was sold in January 2022 for sales price of £83m.

Authorised and issued share capital

The authorised share capital of the Company is 1 share of a single class with par value of £1.00 each.

On 13 December 2019, Harley Investment Holdings Limited ("Harley") became the sole shareholder of Wimpole Investment Holdings Limited when Harley subscribed for one share in Wimpole for a par value of £1.00.

Directors

The following persons were directors of Wimpole Investment Holdings Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

Saul Jonathan Forman (appointed 13 December 2019)
Crispin James De Grave Gandy (appointed 13 December 2019)

Financial results

The results of the Company are set out in the annual financial statements and accompanying notes for the period 31 March 2022.

Going concern

The directors have prepared a budget and cash flow for the Company covering a period of twelve months from signing the accounts and based on the projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence in the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details can be found in Note 1.

Dividends

Dividends paid during the financial year were as follows:

	2022 £'000	2021 £'000
Dividends paid during the financial period	28,908	800

Contracts

The Company does not have any contracts with directors.

Major shareholders

Nestor Investment Holdings Limited is the ultimate parent company.

At 31 March 2022, Kasai Investment Holdings Limited owns 39.035% of the Group, Keto Investment Holdings Limited owns 22.924%, Kinetic Investment Holdings Limited owns 9.510% of the Group and Blue Coast Real Estate Limited owns 28.531% of Nestor Group.

Accounting policies

Accounting policies are set having regard commercial practice and comply with International Financial Reporting Standards.

Financial instruments

Detailed information on the Company's financial risk management process and policy can be found in note 21 of the financial statements.

Wimpole Investment Holdings Limited
Directors' report
31 March 2022

Management and administration

On 5 February 2020, Argo Real Estate Management Limited was appointed by way of a management agreement, to undertake the Company's asset management and property management activities. The Manager has in turn outsourced the property management to Knight Frank.

Environmental policies

We are committed to pursuing sound environmental policies in all aspects of our business and we seek to encourage and promote good environmental practice with our clients and the communities in which we operate.

Capital commitments

At 31 March 2022, the Company has no capital expenditure commitments.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 March 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in the future financial years.

This report is made in accordance with a resolution of directors.

On behalf of the directors


By Saul Jonathan Forman
Director

10 January 2023

Wimpole Investment Holdings Limited
Directors' responsibilities statement
31 March 2022

The directors are responsible for preparing 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 International Financial Reporting Standards ('IFRS'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that year.

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 International Financial Reporting Standards ('IFRS') have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Wimpole Investment Holdings Limited
Statement of comprehensive income
For the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Revenue	4	2,744	3,937
Expenses			
Property expenses	5	(16)	(10)
Other operating expenses	6	<u>(298)</u>	<u>(294)</u>
Operating profit		2,430	3,633
Gain on valuation of investment property	7	(813)	813
Gain on the sale of investment property	8	34,835	-
Finance income	9	-	2
Finance costs	10	<u>(1,099)</u>	<u>(3,119)</u>
Profit before income tax expense		35,353	1,329
Income tax expense	11	<u>(4,879)</u>	<u>(250)</u>
Profit after income tax expense for the year		30,474	1,079
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>30,474</u></u>	<u><u>1,079</u></u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Wimpole Investment Holdings Limited
Statement of financial position
As at 31 March 2022

	Note	2022 £'000	2021 £'000
Assets			
Non-current assets			
Investment properties	12	-	47,750
Total non-current assets		-	47,750
Current assets			
Cash and cash equivalents	13	2,108	1,134
Trade and other receivables	14	90	690
Total current assets		2,198	1,824
Total assets		2,198	49,574
Liabilities			
Non-current liabilities			
Deferred tax liability	15	-	167
Total non-current liabilities		-	167
Current liabilities			
Trade and other payables	16	306	626
Amounts due to related parties	17	-	24,504
Income tax		47	83
Borrowings	18	-	23,915
Total current liabilities		353	49,128
Total liabilities		353	49,295
Net assets		1,845	279
Equity			
Retained earnings		1,845	279
Total equity		1,845	279

Wimpole Investment Holdings Limited's registered number is 12362632.

For the financial year ended 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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


 By Saul Jonathan Forman
 Director

10 January 2023

The above statement of financial position should be read in conjunction with the accompanying notes

Wimpole Investment Holdings Limited
Statement of changes in equity
For the year ended 31 March 2022

	Issued capital £'000	Reserves £'000	Retained profits £'000	Total equity £'000
Balance at 12 December 2019	-	-	-	-
Profit after income tax expense for the year	-	-	1,079	1,079
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	1,079	1,079
<i>Transactions with owners in their capacity as owners:</i>				
Dividends paid (note 20)	-	-	(800)	(800)
Balance at 31 March 2021	-	-	279	279
	Issued capital £'000	Reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 April 2021	-	-	279	279
Profit after income tax expense for the year	-	-	30,474	30,474
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	30,474	30,474
<i>Transactions with owners in their capacity as owners:</i>				
Dividends paid (note 20)	-	-	(28,908)	(28,908)
Balance at 31 March 2022	-	-	1,845	1,845

The above statement of changes in equity should be read in conjunction with the accompanying notes

Wimpole Investment Holdings Limited
Statement of cash flows
For the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
Profit before income tax expense for the year		35,353	1,329
Adjustments for:			
Loss/(Gain) on valuation of Investment Property		813	(813)
Finance cost		1,100	3,119
Finance income		-	(2)
		<u>37,266</u>	<u>3,633</u>
Change in operating assets and liabilities:			
(Increase) in trade and other receivables		865	(690)
Increase in trade and other payables		<u>(454)</u>	<u>626</u>
		37,677	3,569
Interest paid		(2,129)	(2,913)
Income taxes paid		<u>(5,082)</u>	<u>-</u>
Net cash from operating activities		<u>30,466</u>	<u>656</u>
Cash flows from investing activities			
Purchase of investment property	12	46,937	(46,937)
Interest received		-	2
Net cash from/(used in) investing activities		<u>46,937</u>	<u>(46,935)</u>
Cash flows from financing activities			
Proceeds from related parties		(23,270)	24,298
Proceeds from borrowings		(24,251)	23,915
Dividend paid		<u>(28,908)</u>	<u>(800)</u>
Net cash from/(used in) financing activities		<u>(76,429)</u>	<u>47,413</u>
Net increase in cash and cash equivalents		974	1,134
Cash and cash equivalents at the beginning of the financial year		<u>1,134</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year	13	<u><u>2,108</u></u>	<u><u>1,134</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Wimpole Investment Holdings Limited
Notes to the financial statements
31 March 2022

Note 1. General information

The financial statements cover Wimpole Investment Holdings Limited as an individual entity. The financial statements are presented in Pound sterling, which is Wimpole Investment Holdings Limited's functional and presentation currency.

Basis of preparation

Wimpole Investment Holdings Limited is a company limited by shares, incorporated and domiciled in the United Kingdom. This is the first period of trade and first set of accounts prepared and therefore no comparatives are presented. Its registered office and principal place of business is:

17 Portland Place, London, England, W1B 1PU

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

During the period ended 31 March 2022 the Company has no employees.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 13 December 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Accounting Standards that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 31 March 2022. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

Definition of a Business (Amendments to IFRS 3)

Amendments to IFRS 3 were mandatorily effective for reporting periods beginning on or after 1 January 2020. The Company has applied the revised definition of a business for acquisitions occurring on or after 1 January 2020 in determining whether an acquisition is accounted for in accordance with IFRS 3 Business Combinations. The amendments do not permit the Company to reassess whether acquisitions occurring prior to 1 January 2020 met the revised definition of a business.

IFRS 16 Leases

The company has adopted IFRS 16 from 1 January 2019. The standard replaces IAS 17 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under IFRS 16 will be higher when compared to lease expenses under IAS 17. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The adoption of IFRS 16 did not have a significant impact on the financial performance or financial position of the Company during the period ended 31 March 2022.

Note 2. Significant accounting policies (continued)

Going concern

At March 2022, the Company is in a net asset position of £1.8 million (2021: net asset position of £0.28 million) and net current asset position of £1.8 million (2021: net current liability position of £47.3 million). Shareholder loan has been repaid.

Basis of preparation

These general purpose financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The functional and presentation currency is pounds sterling.

Revenue recognition

The company recognises revenue as follows:

Revenue

Revenue from the letting of investment property in terms of rental agreements comprises rental income from tenants, net of value added tax, recognised on a straight-line basis over the term of the lease. Where income is recognised in advance of the related cash flows, an adjustment is made to ensure that the carrying value of the investment property including accrued rent does not exceed the fair value of the property.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Note 2. Significant accounting policies (continued)

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 2. Significant accounting policies (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Value-Added Tax ('VAT') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

Rounding of amounts

Amounts in this report have been rounded off to the nearest thousand pounds, or in certain cases, the nearest pound.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Valuation of investment properties

The key area in which judgement is applied lies with the valuation properties. The valuation is performed by capitalising the budgeted net income of a property at the market related yield applicable at the time.

The Company has acquired investment properties which have commercial property leases in place with tenants. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the lease terms and minimum lease payments, that it retain all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

Note 4. Revenue

	2022 £'000	2021 £'000
Rental revenue	2,744	3,937

Note 5. Property expenses

	2022 £'000	2021 £'000
Property management expenses	6	1
Non-recoverable property costs	10	9
	16	10

Note 6. Other operating expenses

	2022 £'000	2021 £'000
Asset management fee	257	265
Auditor's fees - audit fees	31	22
Environmental surveys	4	-
Other expenses	6	7
	298	294

Note 7. Gain on valuation of investment property

	2022 £'000	2021 £'000
Gain on valuation of investment property	(813)	813

Wimpole Investment Holdings Limited
Notes to the financial statements
31 March 2022

Note 8. Gain on the sale of investment property

	2022 £'000	2021 £'000
Gain on the sale of investment property	34,835	-

Note 9. Finance income

	2022 £'000	2021 £'000
Interest received on bank deposits	-	2

Note 10. Finance costs

	2022 £'000	2021 £'000
Interest on term debt	636	1,193
Interest on derivatives	127	140
Amortisation of finance costs	336	383
Interest on shareholder loans	-	1,403
	1,099	3,119

Note 11. Income tax expense

	2022 £'000	2021 £'000
<i>Analysis of tax charge for the period</i>		
Current tax - UK corporation tax at 19%	5,046	83
Deferred tax - origination and reversal of temporary differences	(167)	167
Aggregate income tax expense	4,879	250
Deferred tax included in income tax expense comprises:		
Increase/(decrease) in deferred tax liabilities (note 15)	(167)	167
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	35,353	1,329
Tax at the statutory tax rate of 19%	6,717	253
Expenses not deductible for tax purposes	9,314	18
Income not taxable for tax purposes	(15,771)	(155)
Chargeable gains/(losses)	4,642	167
Deferred tax not recognised	-	(33)
	(23)	-
Income tax expense	4,879	250

Wimpole Investment Holdings Limited
Notes to the financial statements
31 March 2022

Note 12. Non-current assets - investment properties

	2022 £'000	2021 £'000
Investment property	-	47,750

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	47,750	-
Additions	-	46,937
Disposals	(46,937)	-
Revaluation decrements	(813)	-
Revaluation increments	-	813
Closing fair value	-	47,750

The investment property was sold during the quarter ended January 2022 for the sales price £83,000,000.

Note 13. Current assets - cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank	2,108	1,134

Note 14. Current assets - trade and other receivables

	2022 £'000	2021 £'000
Trade receivables	90	637
Prepayments	-	53
	90	690

Trade and other receivables are non-interest bearing. Amounts receivable on rental contracts are receivable monthly or quarterly in advance.

The Company does not hold any collateral as security.

Note 15. Non-current liabilities - deferred tax liability

	2022 £'000	2021 £'000
Deferred tax liability	-	167

Movements:

Opening balance	167	-
Charged/(credited) to profit or loss (note 11)	(167)	167
Closing balance	-	167

Wimpole Investment Holdings Limited
Notes to the financial statements
31 March 2022

Note 16. Current liabilities - trade and other payables

	2022 £'000	2021 £'000
Trade payables	270	68
Accrued expenses	33	23
Taxation and social security	(87)	185
Income received in advance	18	150
Accrued interest	-	132
Other payables	72	68
	<u>306</u>	<u>626</u>

Refer to note 21 for further information on financial instruments.

Note 17. Current liabilities - Amounts due to related parties

	2022 £'000	2021 £'000
Harley Investment Holdings Limited - shareholder loan note	<u>-</u>	<u>24,504</u>

Refer to note 21 for further information on financial instruments.

Assets pledged as security

Amounts due from related parties comprise of the following:

	2022 £'000	2021 £'000
Shareholder loan note - interest bearing	-	11,000
Shareholder loan note - interest free	-	12,270
Interest on current shareholder loan	<u>-</u>	<u>1,234</u>
	<u>-</u>	<u>24,504</u>

Harley Investment Holdings Limited

Shareholder loan note - has been repaid.

Note 18. Current liabilities - Borrowings

	2022 £'000	2021 £'000
Investec Bank PLC - Secured Bank Loan	<u>-</u>	<u>23,915</u>

Note 19. Equity - issued capital

	2022 Shares	2021 Shares	2022 £'000	2021 £'000
Ordinary shares - fully paid at £1.00 per share	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>

Wimpole Investment Holdings Limited
Notes to the financial statements
31 March 2022

Note 19. Equity - issued capital (continued)

Harley Investment Holdings Limited is the sole shareholder of Wimpole Investment Holdings Limited.

Ordinary shares issued on 13 December 2019 when company was incorporated.

The Company's shares have no restrictions attached and entitle all shareholders to one vote for each share held and to the assets of the company on any winding up after settlement of all liabilities.

Share premium is the an amount subscribed for share capital in excess of nominal value.

Capital risk management

The company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Note 20. Equity - dividends

Dividends paid during the financial year were as follows:

	2022 £'000	2021 £'000
Dividends paid during the financial period	<u>28,908</u>	<u>800</u>

Note 21. Financial instruments

The financial instruments of the Company consist mainly of cash and cash equivalents, loans and borrowings, amounts due from related parties, derivative instruments, trade and other receivables and trade and other payables. The Company purchases or issues financial instruments in order to finance operations and to manage the interest rate risk that arise from these operations and the source of funding.

Financial instruments by category

The tables below set out the Company's accounting classification of each class of assets and liabilities at 31 March 2022.

Company - 2022	Amortised cost £'000	Non-financial instruments £'000	Total £'000
Assets			
Cash and cash equivalents	2,108	-	2,108
Trade and other receivables	90	-	90
	<u>2,198</u>	<u>-</u>	<u>2,198</u>
Liabilities			
Trade and other payables	306	-	306
	<u>2,504</u>	<u>-</u>	<u>2,504</u>

Wimpole Investment Holdings Limited
Notes to the financial statements
31 March 2022

Note 21. Financial instruments (continued)

Company - 2021

	Amortised cost £'000	Non-financial instruments £'000	Total £'000
Assets			
Investment property	-	47,750	47,750
Cash and cash equivalents	1,134	-	1,134
Trade and other receivables	690	-	690
Total assets	<u>1,824</u>	<u>47,750</u>	<u>49,574</u>
Liabilities			
Loans and borrowings	23,915	-	23,915
Trade and other payables	876	-	876
Amounts due to related parties	24,504	-	24,504
Total liabilities	<u>51,119</u>	<u>47,750</u>	<u>98,869</u>

Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, trade and other payables, amounts due to/ from related parties and loans and borrowings.

Due to their short-term nature, the carrying value of cash equivalents, trade and other receivables, trade and other payables is a reasonable approximation of their fair value.

Refer to note 22 for further details on fair value measurements.

Financial risk management considerations

The Group has exposure to the following risks from its use of financial instruments:

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board receives monthly reports from the Company's Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market factors

Price risk

The Company is not exposed to any significant price risk.

Interest rate risk

The Company is exposed to interest rate risk and adopts a policy of ensuring that at least 70% of its exposure to changes in interest rates on borrowing is on a fixed basis. This is achieved by entering into fixed for variable interest rate swap instruments. As a consequence, the Company is exposed to fair value interest rate risk in respect of the fair value of its interest rate derivative instrument. Short-term receivables and payables are not directly exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from derivatives, as well as trade and other receivables, amounts due from related parties and cash and cash equivalents.

Wimpole Investment Holdings Limited
Notes to the financial statements
31 March 2022

Note 21. Financial instruments (continued)

Exposure to credit risk

The Company's exposure to credit risk arises from any default of the counter party, with a maximum exposure equal to the carrying amount of these assets.

	2022 £'000	2021 £'000
Cash and cash equivalents	-	1,134
Trade and other receivables	-	690
	<u>-</u>	<u>1,824</u>

Cash and cash equivalents

Cash balances are held with HSBC Bank plc and Investec Bank plc. The Company does not see this as a risk as both counterparties have high credit rating.

Trade receivables

The Company's exposure to credit risk is mainly in respect of tenants and is influenced by the individual characteristics of each tenant. The Company's widespread tenant base reduces credit risk.

The Company's property management company, Knight Frank, has established a credit policy under which each new tenant is analysed individually for creditworthiness before their standard payment terms and conditions are offered which include, in the majority of cases, the provision of a deposit of at least one month's rental. When available, Knight Frank's credit review includes external ratings.

Impairment losses have been recorded for those debts whose recovery was not reasonably assured at year-end. The maximum credit exposure at the reporting date was £nil, of which the full amount has been provided for where applicable.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's policy is to seek to minimise its exposure to liquidity risk by balancing its exposure to interest rate risk and to refinancing risk. In effect, the Company seeks to borrow for as long as possible at the lowest acceptable cost.

There is no significant concentration of liquidity risk as exposure is limited to one fixed maturity date.

Remaining contractual maturities

The following tables detail the company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	1 year or less £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Remaining contractual maturities £'000
2022					
Non-derivatives					
<i>Non-interest bearing</i>					
Other payables	306	-	-	-	306
Total non-derivatives	<u>306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>306</u>

Wimpole Investment Holdings Limited
Notes to the financial statements
31 March 2022

Note 21. Financial instruments (continued)

	1 year or less £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Remaining contractual maturities £'000
2021					
Non-derivatives					
<i>Non-interest bearing</i>					
Other payables	626	-	-	-	626
Amounts due to related parties	24,504	-	-	-	24,504
<i>Interest-bearing - fixed rate</i>					
Loans and borrowings	25,210	188	351	-	25,749
Total non-derivatives	50,340	188	351	-	50,879

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Cash flows are monitored on a monthly basis to ensure that cash resources are adequate to meet the funding requirements of the Company. In terms of covenants with its lenders, the nominal value of interest bearing borrowings may not exceed 60% of the value of investment property. Furthermore, the interest cover ratio may not be less than 1.5 times (150%).

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 22. Fair value measurement

Fair value hierarchy

The following tables detail the company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Details of changes in valuation techniques in the current and prior period

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
2021				
Assets				
Investment property	-	-	47,750	47,750
Total assets	-	-	47,750	47,750

Significant transfers between level 1, level 2 and level 3

There were no transfers between levels during the financial period.

Management consider the observability of input on an annual basis.

All gains and losses recorded in profit and loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to investment property held at the end of the reporting period.

Valuation techniques for fair value measurements categorised within level 2 and level 3

For all classes of investment property, the significant unobservable inputs listed below are used in the income capitalisation method to determine fair value measurement at the end of the reporting period.

The following factors influence the equivalent yield applied by management when determining a fair value of a building:

Wimpole Investment Holdings Limited
Notes to the financial statements
31 March 2022

Note 22. Fair value measurement (continued)

The table below includes the description and definitions relating to key unobservable inputs made in determining fair value:

Equivalent yield	The equivalent yield is defined as the internal rate of return of cash flow from the property, assuming a rise to ERV at the next review but with no further rental growth.
Long-term vacancy rate	The ERV of the expected long-term average structural vacant space divided by ERV of the whole property. Long-term vacancy rate can also be determined based on the percentage of estimated vacant spaces divided by the total lettable area.
Expected rental value ('ERV')	The rent at which space could be let in the market conditions prevailing at the date of vacation.
Net initial yield	The net initial yield is defined as the initial gross income as a percentage of the market value (or purchase price as applicable) plus standard costs of purchase.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

	£'000	Total £'000
Balance at 12 December 2019	-	-
Additions	44,067	44,067
Acquisition costs	2,871	2,871
Fair value adjustment	812	812
Balance at 31 March 2021	47,750	47,750
Disposals	(46,937)	(46,937)
Fair value adjustment	(813)	(813)
Balance at 31 March 2022	-	-

The significant unobservable inputs used in determining fair value measurement of investment property, as well as the inter-relationship between key unobservable inputs and fair value, is detailed in the table below:

Note 23. Related party transactions

Parent entity

Harley Investment Holdings Limited is the parent entity.

Transactions with related parties

The following transactions occurred with related parties:

	2022 £'000	2021 £'000
Sale of goods and services:		
Sale of services to other related party	257	265

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	2022 £'000	2021 £'000
Current borrowings:		
Loan from controlling entity	-	24,504

Wimpole Investment Holdings Limited
Notes to the financial statements
31 March 2022

Note 23. Related party transactions (continued)

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 24. Borrowing powers

The borrowing capacity of the Company is unlimited in terms of its memorandum of Incorporation

Note 25. Events after the reporting period

No matter or circumstance has arisen since 31 March 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.