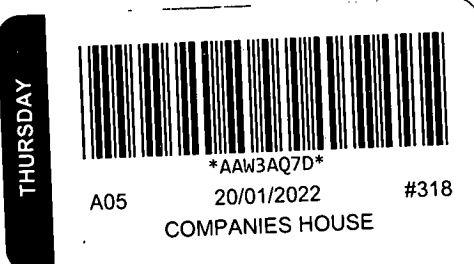


**Wellcome Trust Residential 2 Limited  
Annual Report and Financial Statements  
Year ended 30 September 2021**



Company number 6262846

## **Wellcome Trust Residential 2 Limited**

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## **Wellcome Trust Residential 2 Limited Strategic Report For the year ended 30 September 2021**

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The directors of Wellcome Trust Residential 2 Limited (the "Company" and the "Directors") present their strategic report for the year ended 30 September 2021 (the "Strategic Report").

### **Strategy and objectives**

The principal activity of the Company was holding property investments held for sale so that the Company achieves sufficient returns on its assets over time to be profitable such that donations can be made to its ultimate parent undertaking, the Wellcome Trust, through its corporate trustee The Wellcome Trust Limited. During the current year, the final property investment was sold and the Company no longer has operating activities.

### **Review of the business and future developments**

In the current year the Company received rental income and managed property investments, until the property investments were disposed of. The Directors intend to settle the Company's liabilities and strike off the Company from the Companies Register. Although the Company will no longer continue operations, there has been no restatement of assets or liabilities required as all remaining items are current and held at their net realisable value.

On 29 September 2021, the entire ordinary share capital of the Company was sold by its parent entity, the Wellcome Trust through its corporate trustee The Wellcome Trust Limited, to Wellcome Trust Residential 1 Limited, which is a wholly owned subsidiary of the Wellcome Trust through its corporate trustee The Wellcome Trust Limited. The Wellcome Trust through its corporate trustee The Wellcome Trust Limited continues to be the ultimate parent undertaking and controlling party of the Company.

### **Results for the year**

The Company made a total profit of £63,280 during the year ended 30 September 2021 (2020: a loss of £143,289), after making a Gift Aid donation of £100,853 (2020: £24,981). During the current year the remaining investment properties were sold, realising an overall gain of £116,453. At 30 September 2021, the Company had net assets of £1,471,396 (2020: £2,795,341).

### **Key performance indicators**

The key performance indicator is that the Company achieves sufficient return on its assets over time to be profitable such that donations can be made to its ultimate parent undertaking, the Wellcome Trust, through its corporate trustee The Wellcome Trust Limited.

### **Principal risks and uncertainties**

The major risks to which the Company is exposed have been identified and reviewed by the Directors and comprise market price risk in relation to property assets held by the Company and credit risk in relation to the amounts due from group undertakings. The market price risk is reduced by careful selection of investments and the credit risk exposure is mitigated by the counterparty being a group undertaking. The Company's internal control and risk management is undertaken as part of the Wellcome Trust's processes which are detailed in the Wellcome Trust Annual Report and Financial Statements which are available at [wellcome.org/what-we-do/reports](https://www.wellcome.org/what-we-do/reports).

The Company's internal control and risk management, which includes consideration of the impact of Covid-19, climate change and the risk associated with Brexit are considered at a group level and documented within the Wellcome Trust Annual Report and Financial Statements 2021 which are available from Wellcome's website at [wellcome.org/what-we-do/reports](https://www.wellcome.org/what-we-do/reports).

### **Corporate governance**

The Company is an indirectly wholly owned subsidiary undertaking of the Wellcome Trust through its corporate trustee The Wellcome Trust Limited. The Company's governing documents are its Memorandum of Association and Articles of Association.

This report was approved by the Board of Directors on 7 December 2021 and signed on its behalf by:



Karen Chadwick  
Director  
20 December 2021

**Wellcome Trust Residential 2 Limited**  
**Directors' Report**  
**For the year ended 30 September 2021**

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The Directors of the Company present their annual report and the audited financial statements of the Company for the year ended 30 September 2021 (the "Financial Statements").

**Future developments**

These are discussed in the Strategic Report on page 1.

**Going Concern**

As explained in note 1 to the financial statements, the Directors no longer expect that the Company will continue in existence, due to their intention to strike off the Company from the Companies Register. Accordingly, the Financial Statements have been prepared on a basis other than that of going concern.

**Employees**

There are no employees of the Company (2020: nil). The administration of the Company is undertaken by staff of The Wellcome Trust Limited (acting as trustee of the Wellcome Trust). The Wellcome Trust has not incurred any incremental costs due to its administration of the Company.

**Dividends**

The Directors made a dividend payment of £1,286,372 (2020: £nil). The Directors do not propose the payment of a further dividend.

**Financial risk management objectives and policies**

These are discussed in the Strategic Report on page 1.

**Directors and their interests**

The Directors of the Company who were in office during the year and up to the date of signing the Financial Statements were:

Karen Chadwick  
Robert Coke  
Nicholas Moakes  
Peter Pereira Gray

None of the Directors held any beneficial interest in the shares of the Company or any interest in its parent undertaking, the Wellcome Trust through its corporate trustee The Wellcome Trust Limited. Each of the Directors is an employee of The Wellcome Trust Limited (acting as trustee of the Wellcome Trust) and receives remuneration from The Wellcome Trust Limited as an employee. No remuneration is paid to any Director for their services as a Director.

**Directors' indemnity policy**

The Company is party to a group-wide directors' and officers' liability insurance policy which includes all the current directors within the Wellcome group. There are no qualifying indemnity provisions (as defined in the Companies Act 2006) that benefit the Directors of the Company.

**Statement of disclosure of information to auditors**

Each Director in office at the date of approving this report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- Each Director has taken all the steps that ought to have been taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Wellcome Trust Residential 2 Limited**  
**Directors' Report (continued)**  
**For the year ended 30 September 2021**

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**Independent auditor**

The Board of Directors resolved on 7 December 2021 to approve the reappointment of Deloitte LLP as auditor until such time as the Company decides otherwise.

**Events after the end of the reporting period**

There have been no subsequent events requiring disclosure.

This report was approved by the Board of Directors on 7 December 2021 and signed on its behalf by:



Karen Chadwick  
Director  
20 December 2021

**Wellcome Trust Residential 2 Limited**  
**Statement of Directors' responsibilities**  
**For the year ended 30 September 2021**

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The Directors are responsible for preparing the Strategic Report, 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 prepared the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006.

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

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.

**Wellcome Trust Residential 2 Limited**  
**Independent Auditor's Report To The Members of Wellcome Trust Residential 2 Limited**  
**For the year ended 30 September 2021**

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**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of Wellcome Trust Residential 2 Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30<sup>th</sup> September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter – Financial statements prepared other than on a going concern basis**

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

**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.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Wellcome Trust Residential 2 Limited**  
**Independent Auditor's Report To The Members of Wellcome Trust Residential 2 Limited**  
**(continued)**  
**For the year ended 30 September 2021**

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**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and the applicable tax laws; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty, such as applicable Health and Safety regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and internal audit concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

**Report on other legal and regulatory requirements**

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

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.



**Wellcome Trust Residential 2 Limited**  
**Independent Auditor's Report To The Members of Wellcome Trust Residential 2 Limited**  
**(continued)**  
**For the year ended 30 September 2021**

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

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

**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.

*J Hodges*

Jessica Hodges, ACA (statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor

London, United Kingdom  
20th December 2021

**Wellcome Trust Residential 2 Limited**  
**Profit and Loss Account**  
**For the year ended 30 September 2021**

	Note	Year ended 30 September 2021 £	Year ended 30 September 2020 £
Rental income		44,444	98,395
<b>Operating Income</b>		<b>44,444</b>	<b>98,395</b>
External investment property management fees		(66,357)	(41,763)
Administrative expenses	3	(17,700)	(32,983)
Interest receivable from group undertakings		15	1,256
<b>Operating (loss) / profit</b>		<b>(39,598)</b>	<b>24,905</b>
Gain / (loss) on investment property	8	116,453	(204,688)
<b>Profit / (loss) before taxation</b>		<b>76,855</b>	<b>(179,783)</b>
Tax on (profit) / loss	6	(13,575)	36,494
<b>Profit / (loss) for the year</b>		<b>63,280</b>	<b>(143,289)</b>

All results are derived from discontinued activities. There are no gains and losses other than as shown above. Consequently, no separate Statement of comprehensive income has been prepared.

The notes on pages 11 to 16 form part of these Financial Statements.

**Wellcome Trust Residential 2 Limited**  
**Balance Sheet**  
**As at 30 September 2021**

	Note	As at 30 September 2021 £	As at 30 September 2020 £
<b>Fixed assets</b>			
Investment property	8	-	2,416,855
Deferred tax asset	10	-	13,575
		-	<b>2,430,430</b>
<b>Current assets</b>			
Cash at bank and in hand		8,498	9,743
Amounts owed by group undertakings		1,485,265	363,725
Prepayments and other debtors		3,917	13,177
		<b>1,497,680</b>	<b>386,645</b>
Creditors: amounts falling due within one year	9	(26,284)	(21,734)
<b>Net current assets</b>		<b>1,471,396</b>	<b>364,911</b>
<b>Total assets less current liabilities</b>		<b>1,471,396</b>	<b>2,795,341</b>
<b>Net assets</b>		<b>1,471,396</b>	<b>2,795,341</b>
<b>Capital and reserves</b>			
Called up share capital	12	1	1
Profit and loss account		1,471,395	2,795,340
<b>Total shareholders' funds</b>		<b>1,471,396</b>	<b>2,795,341</b>

The Financial Statements on pages 8 to 16 were approved by the Board of Directors and authorised for issue on 7 December 2021 and signed on its behalf by:



Karen Chadwick  
Director  
20 December 2021

**Wellcome Trust Residential 2 Limited**  
**Statement of Changes in Equity**  
**As at 30 September 2021**

	<b>Called Up Share Capital £</b>	<b>Profit and Loss account £</b>	<b>Total Shareholder's Funds £</b>
At 1 October 2019	1	2,963,610	2,963,611
Loss for the financial year		(143,289)	(143,289)
<b>Total comprehensive income</b>		<b>(143,289)</b>	<b>(143,289)</b>
Gift aid		(24,981)	(24,981)
<b>At 30 September 2020</b>	<b>1</b>	<b>2,795,340</b>	<b>2,795,341</b>
At 1 October 2020	1	2,795,340	2,795,341
Profit for the financial year		63,280	63,280
<b>Total comprehensive income</b>		<b>63,280</b>	<b>63,280</b>
Gift aid		(100,853)	(100,853)
Dividends paid on equity shares		(1,286,372)	(1,286,372)
<b>At 30 September 2021</b>	<b>1</b>	<b>1,471,395</b>	<b>1,471,396</b>

**Wellcome Trust Residential 2 Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 September 2021**

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**1. ACCOUNTING POLICIES**

The Financial Statements are prepared in accordance with applicable United Kingdom law and United Kingdom accounting standards. The accounting policies which have been adopted consistently in the current and prior year are described below.

**(a) Statement of compliance**

The Company, limited by shares, is incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 17. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 1.

The Company is a wholly owned subsidiary undertaking of Wellcome Trust Residential 1 Limited, and its results are included in the consolidated financial statements of its ultimate parent undertaking and controlling party, the Wellcome Trust, which are publicly available.

The Financial Statements have been prepared on a basis other than the going concern basis as well as in accordance with applicable UK accounting standards (UK Generally Accepted Accounting Practice), including FRS 102. For further information refer to the Directors' Report.

The functional and presentational currency of the Company is pounds sterling. The majority of transactions undertaken by the Company are denominated in pounds sterling.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to financial instruments and presentation of a statement of cash flows. The equivalent disclosures relating to the exemptions have been included in the consolidated financial statements of the Wellcome Trust.

**(b) Summary of significant accounting policies**

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

**Basis of preparation**

The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of investment property assets. Due to the Directors' intention to strike off the Company from the Companies Register, the Financial Statements have been prepared on a basis other than that of the going concern basis. This basis includes, where applicable, writing the company's assets down to net realisable value, which resulted in no adjustments being made. No provision has been made for future costs of terminating the business such as costs of winding down the company (e.g. liquidation fees) unless such costs were committed at the reporting date.

The preparation of financial statements in conformity with FRS 102 requires the use of certain significant accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving more judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in note 2.

**(i) Income**

Rental income is recognised on an accruals basis. Rental income from operating leases (excluding amounts for services such as insurance and maintenance) is recognised in profit or loss on a straight-line basis over the lease term. The aggregate cost of any lease incentives reduces the income recognised over the lease term on a straight-line basis. All income is derived from the United Kingdom.

**(ii) Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Company to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All resources expended are recognised on an accruals basis in the profit and loss account.

**(iii) Gift Aid**

Gift Aid donation recognised is equal to estimated taxable profits of the company at the time of the approval of the financial statements (unless restricted due to an insufficient amount of cash or distributable reserves). If a restriction does not apply, the Gift Aid paid within nine months of the balance sheet date is equal to the actual taxable profits of the company at time of payment. Any difference between the Gift Aid donation accrued and the Gift Aid donation paid is recognised at the time of payment.

**Wellcome Trust Residential 2 Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 September 2021**

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**(iv) Taxation**

The Company is subject to UK Corporation Tax. However, because its policy is to make a qualifying charitable donation ("Gift Aid") to the Wellcome Trust equal to taxable profits, no Corporation Tax liability arises in the year, unless restricted due to insufficient cash or distributable reserves.

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between the taxable profits and results as stated in the financial statements.

Deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient taxable profits in future periods, which the future reversal of the underlying timing differences can be utilised against.

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

**(v) Financial assets and liabilities**

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual arrangement which gives rise to the relevant asset or liability.

All financial assets and liabilities which qualify as basic financial instruments as laid out in FRS 102 paragraph 11.8, are initially measured at fair value (normally the transaction price excluding transaction costs) and subsequently measured at amortised cost and assessed for impairment at the end of each reporting period.

All financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value, unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

**(vi) Investment Property**

Investment property is valued at fair value annually with any change recognised in the Profit and Loss account. The fair value is based on valuations estimated by third party professional valuers; however where properties are acquired close to the balance sheet dates, valuations are not obtained because the acquired properties are recorded at open market value upon initial recognition, which the Company considers to be a reasonable estimate of open market value which is equivalent to fair value at the balance sheet date. Property transactions are recognised on the date of completion.

**2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(i) Significant judgements in applying the accounting policies**

The Company has made no significant accounting judgements in the application of the Company's accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**(ii) Significant accounting estimates and assumptions**

The Company has made no significant accounting estimates or assumptions in the application of the Company's accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Wellcome Trust Residential 2 Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 September 2021**

**3. ADMINISTRATIVE EXPENSES**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	17,700	20,292
Taxation fees	-	12,686
Investment sundry fees	-	5
<b>Total Administrative expenses</b>	<b>17,700</b>	<b>32,983</b>

Auditor's remuneration is solely in relation to the statutory audit of the Financial Statements.

**4. EMPLOYEE INFORMATION**

The Company has no employees (2020: nil). Employees of The Wellcome Trust Limited (acting as trustee of the Wellcome Trust) undertake the management and administration of the Company at no incremental cost to the Wellcome Trust.

**5. REMUNERATION OF DIRECTORS**

The Directors of the Company received no remuneration from the Company for their services (2020: £nil). There were no Directors for whom retirement benefits provided by the Company are accruing under a money purchase or defined benefit scheme. The Company does not issue share options or offer any long-term incentive schemes, so there were no Directors who exercised share options during the year or became entitled to shares under a long-term incentive scheme.

**Wellcome Trust Residential 2 Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 September 2021**

**6. TAX ON PROFIT**

	Year ended 30 September 2021 £	Year ended 30 September 2020 £
<b>(i) Current Tax:</b>		
UK Corporation Tax on profits for the year	-	-
<b>Total current tax</b>	<b>-</b>	<b>-</b>
<b>(ii) Deferred Tax</b>		
Origination and reversal of timing differences	17,862	(39,190)
Re-measurement of deferred tax - change in UK rate	(4,287)	2,696
<b>Total deferred tax</b>	<b>13,575</b>	<b>(36,494)</b>
<b>Tax on (loss) / profit</b>	<b>13,575</b>	<b>(36,494)</b>
<b>(iii) Reconciliation of tax charge</b>		
Profit before tax	76,855	(179,783)
Profit before tax multiplied by average standard rate of corporation tax of 19% (2020: 19%)	14,602	(34,159)
Effects of:		
Income not subject to tax	(22,125)	-
Expenses not deductible for tax purposes	-	38,905
Chargeable gains/(losses)	13,575	(39,190)
Remeasurement of deferred tax for changes in tax rates	(2,376)	2,696
Movement in deferred tax not recognised	9,899	-
Tax relief on gift aid donations	-	(4,746)
<b>Tax charge/(credit) for the year</b>	<b>13,575</b>	<b>(36,494)</b>

The standard rate of tax applied to reported profit is 19 per cent (2020: 19 per cent). The applicable future tax rate has changed following the substantive enactment of the Finance Act 2021 which will increase the UK corporation tax rate from 19% to 25%, effective from 1 April 2023. The 25% tax rate is applied when calculating the deferred tax position, as it is expected that the deferred tax assets and liabilities will reverse after 1 April 2023.

**7. DIVIDENDS**

	2021 £	2020 £
Dividend paid in the year	1,286,372	-
	<b>1,286,372</b>	<b>-</b>

The Directors do not propose the payment of a further dividend.



**Wellcome Trust Residential 2 Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 September 2021**

**8. INVESTMENT PROPERTY**

	Fair value 1 October 2020 £	Purchases £	Sales proceeds £	Total gains/ (losses) £	Fair value 30 September 2021 £
Investment property	2,416,855	-	(2,533,308)	116,453	-
<b>Total</b>	<b>2,416,855</b>	<b>-</b>	<b>(2,533,308)</b>	<b>116,453</b>	<b>-</b>

The cost of investment property held is £nil (2020: £2,623,120).

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Other creditors	14,110	8,363
Accruals and deferred income	12,174	13,371
	<b>26,284</b>	<b>21,734</b>

Other creditors and Accruals and deferred income are due for payment within three months following the financial year end.

**10. DEFERRED TAX**

	2021 £	2020 £
<b>Deferred Tax Asset</b>		
Arising on fair value adjustments for unquoted investments	-	13,575

Deferred tax is provided for at 25% (2020: 19%). The movement in the deferred tax position is detailed in Note 6.

**11. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption contained in Section 33 paragraph 33.1A3 Related Party Disclosures, which exempts it from disclosing details of transactions with the Wellcome Trust through its corporate trustee The Wellcome Trust Limited and its subsidiary undertakings, as the Company and its related undertakings with whom it may have transactions are wholly owned subsidiaries of the Wellcome Trust. There are no other related party transactions requiring disclosure.

**12. CALLED UP SHARE CAPITAL**

	2021 Number	2020 Number	2021 £	2020 £
Ordinary £1 share called up, allotted and fully paid	1	1	1	1

**Wellcome Trust Residential 2 Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 September 2021**

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**13. COMMITMENTS**

The Company has no outstanding commitments to make further investments at 30 September 2021 (2020: £nil).

**14. ULTIMATE PARENT UNDERTAKING & CONTROLLING PARTY**

The Company is a company limited by shares. Its sole shareholder is the Wellcome Trust through its corporate trustee The Wellcome Trust Limited, whose place of business and registered office is Gibbs Building, 215 Euston Road, London, United Kingdom. The Company is considered a wholly owned subsidiary undertaking of the Wellcome Trust for accounting purposes and its assets and liabilities have been consolidated with those of the Wellcome Trust as required by section 9 of FRS 102.

The ultimate parent undertaking and controlling party of the Company is the Wellcome Trust through its corporate trustee The Wellcome Trust Limited, which is the parent undertaking of the smallest and largest group to consolidate these Financial Statements.

Copies of the Wellcome Trust Annual Report and Financial Statements 2021 are available from Wellcome's website ([www.wellcome.org/about-us](http://www.wellcome.org/about-us)) or from the Company Secretary.

**15. EVENTS AFTER THE END OF THE REPORTING PERIOD**

There have been no subsequent events requiring disclosure.

## **Wellcome Trust Residential 2 Limited Administrative Details**

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### **Directors**

Karen Chadwick  
Robert Coke  
Nicholas Moakes  
Peter Pereira Gray

### **Company Secretary**

Carolyn Kloet (resigned on 17 September 2021)

### **Registered Company Number**

6262846

### **Registered Office**

Gibbs Building  
215 Euston Road  
London  
NW1 2BE

### **Independent Auditor**

Deloitte LLP  
Statutory Auditor  
1 New Street Square  
London  
EC4A 3HQ

### **Banker**

HSBC Bank plc  
31 Holborn  
Holborn Circus  
London  
EC1N 2HR