REGISTERED NUMBER: 08020218 (England and Wales)

DIRECTORS' REPORT AND

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

FOR

MARLBOROUGH PROPERTY CO LIMITED

RSM UK Audit LLP
Suite A, 7th Floor,
East West Building
2 Tollhouse Hill
Nottingham
NG1 5FS

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

MARLBOROUGH PROPERTY CO LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2021

DIRECTORS:	Sir W L Adderley Mr D L Wright
REGISTERED OFFICE:	Two Marlborough Court Watermead Business Park Syston Leicestershire LE7 1AD
REGISTERED NUMBER:	08020218 (England and Wales)
INDEPENDENT AUDITORS:	RSM UK Audit LLP Suite A, 7th Floor, East West Building 2 Tollhouse Hill Nottingham NG1 5FS

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2021.

PRINCIPAL ACTIVITIES
The principal activity of the group in the year under review was that of providing asset management services to the commercial and residential properties in the group in addition to commercial property investment and development.

The principal activity of the company is a property holding company which also provides asset management services to commercial and residential properties.

DIVIDENDS
The total distribution of dividends for the year ended 30 June 2021 will be £nil (2020: £5,500,000).

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 July 2020 to the date of this report.

Sir W L Adderley
Mr D L Wright

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS
The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

The financial statements have been prepared under section 1A the small entities regime of FRS 102.

ON BEHALF OF THE BOARD:

Mr D L Wright - Director

20 December 2021

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

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 they have elected to prepare group and parent company financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 group and parent company and of the profit or loss of the group 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 estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group or parent 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARLBOROUGH PROPERTY CO LIMITED

Opinion

We have audited the financial statements of Marlborough Property Co Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2021 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:
- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

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

There are no significant laws and regulations that have an indirect impact on the financial statements given the entity does not operate in a highly regulated industry.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARLBOROUGH PROPERTY CO LIMITED

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.

Kelly Boorman (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP
Suite A, 7th Floor,
East West Building
2 Tollhouse Hill
Nottingham
NG1 5FS

21 December 2021

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2021

	Notes	30/6/21 £	30/6/20 £
TURNOVER		7,793,360	7,666,102
Cost of sales		64,735	62,960
GROSS PROFIT		7,728,625	7,603,142
Administrative expenses		549,250	388,901
OPERATING PROFIT		7,179,375	7,214,241
Interest receivable and similar income	5	398	4,346
		7,179,773	7,218,587
Fair value adjustment on investment property		(2,369,000)	(3,837,953)
		4,810,773	3,380,634
Interest payable and similar expenses	6	2,660,598	2,856,629
PROFIT BEFORE TAXATION		2,150,175	524,005
Tax on profit	7	356,113	145,631
PROFIT FOR THE FINANCIAL YEAR		1,794,062	378,374
Profit attributable to:			
Owners of the parent		1,794,062	378,374

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
30 JUNE 2021

	Notes	30/6/21 £	30/6/20 £
FIXED ASSETS			
Tangible assets	10	2,480,159	2,570,230
Investments	11	-	-
Investment property	12	211,570,001	213,939,001
		214,050,160	216,509,231
CURRENT ASSETS			
Debtors	13	1,105,677	1,145,038
Cash at bank and in hand		2,842,918	1,667,048
		3,948,595	2,812,086
CREDITORS			
Amounts falling due within one year	14	(97,697,992)	(100,971,664)
NET CURRENT LIABILITIES		(93,749,397)	(98,159,578)
TOTAL ASSETS LESS CURRENT LIABILITIES		120,300,763	118,349,653
CREDITORS			
Amounts falling due after more than one year	15	(98,047,958)	(97,909,916)
PROVISIONS FOR LIABILITIES	16	(794,493)	(775,487)
NET ASSETS		21,458,312	19,664,250
CAPITAL AND RESERVES			
Called up share capital		100	100
Retained earnings		21,458,212	19,664,150
SHAREHOLDERS' FUNDS		21,458,312	19,664,250

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

The financial statements were approved by the Board of Directors and authorised for issue on 20 December 2021 and were signed on its behalf by:

Mr D L Wright - Director

The notes form part of these financial statements

MARLBOROUGH PROPERTY CO LIMITED (REGISTERED NUMBER: 08020218)

COMPANY BALANCE SHEET
30 JUNE 2021

	Notes	30/6/21 £	30/6/20 £
FIXED ASSETS			
Tangible assets	10	13,716	33,705
Investments	11	1,287,722	1,287,722
Investment property	12	-	-
		1,301,438	1,321,427
CURRENT ASSETS			
Debtors	13	194,430,854	196,409,944
Cash at bank		417,888	1,099,801
		194,848,742	197,509,745
CREDITORS			
Amounts falling due within one year	14	(95,122,556)	(98,415,922)
NET CURRENT ASSETS		99,726,186	99,093,823
TOTAL ASSETS LESS CURRENT LIABILITIES		101,027,624	100,415,250
CREDITORS			
Amounts falling due after more than one year	15	(98,047,958)	(97,909,916)
NET ASSETS		2,979,666	2,505,334
CAPITAL AND RESERVES			
Called up share capital		100	100
Retained earnings		2,979,566	2,505,234
SHAREHOLDERS' FUNDS		2,979,666	2,505,334
Company's profit for the financial year		474,332	220,564

The notes form part of these financial statements

continued...

COMPANY BALANCE SHEET - continued
30 JUNE 2021

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

The financial statements were approved by the Board of Directors and authorised for issue on 20 December 2021 and were signed on its behalf by:

Mr D L Wright - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2019	100	24,785,776	24,785,876
Changes in equity			
Dividends	-	(5,500,000)	(5,500,000)
Total comprehensive income	-	378,374	378,374
Balance at 30 June 2020	100	19,664,150	19,664,250
Changes in equity			
Total comprehensive income	-	1,794,062	1,794,062
Balance at 30 June 2021	100	21,458,212	21,458,312

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2019	100	7,784,670	7,784,770
Changes in equity			
Dividends	-	(5,500,000)	(5,500,000)
Total comprehensive income	-	220,564	220,564
Balance at 30 June 2020	100	2,505,234	2,505,334
Changes in equity			
Total comprehensive income	-	474,332	474,332
Balance at 30 June 2021	100	2,979,566	2,979,666

The notes form part of these financial statements

1. STATUTORY INFORMATION

Marlborough Property Co Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements were prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014, and with the Companies Act 2006 (as applicable to companies subject to the small companies' regime). The changes to FRS 102 issued in September 2015 effective for periods beginning on or after 1 January 2016 have been adopted and therefore, as a small company the financial statements have been prepared under section 1A the small entities regime of FRS 102.

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

Basis of consolidation
The group consists of Marlborough Property Company Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

The consolidated financial statements incorporate those of Marlborough Property Company Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 June 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

continued...

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

Going concern
Notwithstanding the group net current liabilities of £93,749,397 (2020: £98,159,578) at 30 June 2021, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the group and company will have sufficient funds through funding from its parent company, WA Capital, to meet its liabilities as they fall due in that period.

The forecasts prepared by the Directors are dependent on WA Capital Limited not seeking repayment of the amounts currently due to that company, which at 30 June 2021 amounted to £95,000,000. WA Capital Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not seek repayment of the amount owed to it at the balance sheet date, for the period covered by the forecasts or until the investment property is sold or other funding becomes available.

As with any company placing reliance on other group companies for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of the financial statements, they have no reason to believe that it will not do so.

Financial Reporting Standard 102 - reduced disclosure exemptions
The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- the requirement of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosure paragraph 33.7;
- key management personnel compensation;

continued...

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates
The Directors are continually evaluating estimates and judgements based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The Directors consider that the only critical accounting judgements in applying the group's accounting policies is the valuation of the investment properties.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities of the company are as follows.

Impairment of investments
The carrying value of investments is based on value in use which requires estimates in respect of the future cash flows and an appropriate discount rate. The key inputs to the value in use calculations are the discount rate and the future earnings growth. See note 10 for the carrying value of investments.

Turnover
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 25% on cost

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

continued...

2. **ACCOUNTING POLICIES - continued**

Impairment of fixed assets
At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Investments
In the separate accounts of the company, interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

The investments are assessed for impairment at each reporting date and any impairment losses orreversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Investment property
Investment properties are properties which are held either to earn rental income or for capital appreciation or for both.

Subsequent to initial recognition

i. Investment properties (including properties held under an operating lease) are initially measured at cost and subsequently measured at fair value. Changes in fair value are recognised in the income statement; and
ii. no depreciation is provided in respect of investment properties applying the fair value model.

continued...

2. ACCOUNTING POLICIES - continued

Financial instruments
Financial instruments are recognised in the balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivative instruments
The company uses interest rate swaps to adjust interest rate exposures. Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss.Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of interest rate swap contracts are determined by calculating the present value of the estimated future cash flows based on observable yield curves.

Equity instruments
Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

continued...

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the consolidated profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet 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.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2020 - NIL).

4. DIRECTORS' EMOLUMENTS

The Directors are remunerated by the ultimate parent Company, WA Capital Limited.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	30/6/21	30/6/20
	£	£
Interest recharge	26	865
Bank interest received	-	2,805
Other interest received	372	676
	398	4,346

continued...

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	30/6/21	30/6/20
	£	£
Bank loan interest	2,522,555	2,632,151
Refinancing costs	138,043	157,704
Other interest	-	61
Net loss on financial assets measured at fair value through profit and loss	-	66,713
	2,660,598	2,856,629

7. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	30/6/21	30/6/20
	£	£
Current tax:		
UK corporation tax	337,107	78,890
Deferred tax	19,006	66,741
Tax on profit	356,113	145,631

UK corporation tax has been charged at 19 % (2020 - 19 %).

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 remained at 19%, rather than the previously enacted reduction to 17%. Consequently the deferred tax balances within these financial statements have been assessed at 19%.

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

The profit after tax of the company was £474,332 (2020: £220,564).

9. AUDITORS REMUNERATION

Auditor's remuneration has been recognised as £40,000 (FY20: £32,500) in the company's accounts. This fee includes the fees in relation to the subsidiaries of the company who have not recognised audit fees for the year ended 30 June 2021.

continued...

10. **TANGIBLE FIXED ASSETS**

Group

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 July 2020	2,740,493	308,526	43,190	3,092,209
Additions	-	-	1,058	1,058
At 30 June 2021	2,740,493	308,526	44,248	3,093,267
DEPRECIATION				
At 1 July 2020	219,239	272,671	30,069	521,979
Charge for year	54,810	30,738	5,581	91,129
At 30 June 2021	274,049	303,409	35,650	613,108
NET BOOK VALUE				
At 30 June 2021	2,466,444	5,117	8,598	2,480,159
At 30 June 2020	2,521,254	35,855	13,121	2,570,230

Company

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 July 2020	161,917	43,190	205,107
Additions	-	1,058	1,058
At 30 June 2021	161,917	44,248	206,165
DEPRECIATION			
At 1 July 2020	141,333	30,069	171,402
Charge for year	15,466	5,581	21,047
At 30 June 2021	156,799	35,650	192,449
NET BOOK VALUE			
At 30 June 2021	5,118	8,598	13,716
At 30 June 2020	20,584	13,121	33,705

continued...

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 July 2020 and 30 June 2021	1,287,722
NET BOOK VALUE	
At 30 June 2021	1,287,722
At 30 June 2020	1,287,722

continued...

11. FIXED ASSET INVESTMENTS - continued

The company owns 100% of the issued share capital of the companies listed below:

Marlborough Property (Helensburgh) Limited
Marlborough Property (Watermead) Limited
Marlborough Property (Colmore Row) Limited
Marlborough Property (Staines) Limited
Marlborough Property (Water Court) Limited
Marlborough Property (Digbeth) Limited
Marlborough Property (NBS 169) Limited
Marlborough Property (Douglas) Limited
Marlborough Property (Putney One) Limited
Marlborough Property (Putney Two) Limited
Marlborough Property (Beckenham) Limited
Marlborough Property (Camden) Limited
Marlborough Property (Chiswick) Limited
Marlborough Property (Clapham) Limited
Marlborough Property (Eltham) Limited
Marlborough Property (Kilburn) Limited
Marlborough Property (Pinner) Limited
Marlborough Property (Putney) Limited
Marlborough Property (Rickmansworth) Limited
Marlborough Property (Temple Fortune) Limited
Marlborough Property (Whetstone) Limited

The registered office for all companies listed above is; Two Marlborough Court, Watermead Business Park, Syston, Leicestershire, LE7 1AD.

The principal activity of all companies listed above is that of commercial property investment, other than the following entities which are dormant:

Marlborough Property (Helensburgh) Limited
Marlborough Property (Digbeth) Limited
Marlborough Property (Beckenham) Limited
Marlborough Property (Rickmansworth) Limited
Marlborough Property (Temple Fortune) Limited

The above listed dormant Companies are exempt from audit by virtue of s479A of Companies Act 2006.

continued...

12. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1 July 2020	213,939,001
Fair value adjustment of investment property	(2,369,000)
At 30 June 2021	211,570,001
NET BOOK VALUE	
At 30 June 2021	211,570,001
At 30 June 2020	213,939,001

Fair value at 30 June 2021 is represented by:

	£
Cost	211,344,671
Fair value adjustment in 2017	8,676,283
Fair value adjustment in 2019	(2,244,000)
Fair value adjustment in 2020	(3,837,953)
Fair value adjustment in 2021	(2,369,000)
	211,570,001

If the investment property was stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	30/06/21 £	30/06/20 £
Cost	211,344,671	211,344,671

The investment property was valued on 30th June 2021 by the Directors who are knowledgeable on the UK property market and utilise professional guidance where considered necessary.

The property was valued on an Investment method basis by comparing the current passing rent and market rent for the property capitalised at an appropriate yield. The yield was derived from transactions over other similar properties for which price information was available. This rate was then adjusted to reflect differences in age, size, condition, location and any other factors considered relevant. A fair value adjustment of £2,369,000 was recorded in the year.

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13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30/6/21	30/6/20	30/6/21	30/6/20
	£	£	£	£
Trade debtors	127,892	148,186	-	-
Amounts owed by group undertakings	-	-	194,174,344	196,137,857
VAT	-	-	-	16,563
Deferred tax asset	-	-	8,388	5,326
Prepayments and accrued income	977,785	996,852	248,122	250,198
	1,105,677	1,145,038	194,430,854	196,409,944

The company has loans due from its subsidiaries which are repayable on demand.

The company recharges the interest it pays on its bank loan to its subsidiary Companies on a proportional basis, based on the subsidiaries property costs.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30/6/21	30/6/20	30/6/21	30/6/20
	£	£	£	£
Trade creditors	81,019	87,534	54,124	81,628
Amounts owed to group undertakings	95,000,000	98,186,000	95,000,000	98,186,000
Corporation tax	321,856	76,333	-	49,121
VAT	365,964	717,834	5,668	-
Other creditors	8,896	54,632	-	-
Accruals and deferred income	1,920,257	1,849,331	62,764	99,173
	97,697,992	100,971,664	95,122,556	98,415,922

The company has loans from its parent, WA Capital Limited which are repayable on demand.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	30/6/21	30/6/20	30/6/21	30/6/20
	£	£	£	£
Bank loans - 2-5 years	98,047,958	97,909,916	98,047,958	97,909,916

The three year bank loan which was renewed on 30th June 2020 is an interest only facility which is secured on properties held in its subsidiary undertakings. Interest is charged quarterly at 2.49% above 3 month LIBOR.

continued...

16. PROVISIONS FOR LIABILITIES

	Group	
	30/6/21	30/6/20
	£	£
Deferred tax		
Accelerated capital allowances	794,493	292,894
Revaluation of investment property	-	482,593
	794,493	775,487

Group

	Deferred tax
	£
Balance at 1 July 2020	775,487
Credit to profit & loss	19,006
Balance at 30 June 2021	794,493

Company

	Deferred tax
	£
Balance at 1 July 2020	(5,326)
Credit to profit & loss	(3,062)
Balance at 30 June 2021	(8,388)

Company
The deferred tax asset £8,388 (2020: £5,326) relates to accelerated capital allowances.

17. RELATED PARTY DISCLOSURES

The immediate parent company and the ultimate parent undertaking is WA Capital Ltd, a company incorporated in England and Wales with registered address of Two Marlborough Court, Watermead Business Park, Syston, Leicestershire LE7 1AD.

Transactions between the company and wholly owned subsidiaries are exempt from disclosure.

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18. POST BALANCE SHEET EVENTS

On 21st July 2021 the group incorporated Marlborough Property (Harley Street) Ltd (13522770) which is a wholly owned subsidiary of Marlborough Property Co Limited. On 27th August 2021 this entity purchased The Harley Street Estate for £73,000,000. This purchase was funded in its entirety by an intercompany loan from the parent company. At the date the balance sheet was signed the inter company loan was £77,000,000.

On 3rd December 2021 the investment property in Marlborough Property (Staines) Limited was sold for £20,000,000. The gain on sale of this property has been treated as an adjusting post balance sheet event and as such has been recorded in these financial statements. As a consequence of the sale, £7,975,000 of the bank loan was repaid.