12 Wells Mews Limited

Audited financial statements
For the year ended 31 December 2023
Company registration No. 13920848

Contents

Company Information

Directors
Carol Ann Rotsey (resigned on 31 August 2023)
Markus Wickentrager
Neil David Townson (resigned on 10 January 2023, reappointed on 10 January 2023)
Simon Derwood Auston Drewett (appointed on 10 January 2023, resigned on 3 October 2023)
Briony Jayne Rea (appointed on 31 August 2023)
Theunis Bassage (appointed on 4 April 2024)

Secretary
Crestbridge UK Limited
8 Sackville Street
London
W1S 3DG

Independent auditors
Goodman Jones LLP
29/30 Fitzroy Square
London
W1T 6LQ

Registered Office
8 Sackville Street
London
W1S 3DG

Registration Number
13920848

Report of the Directors

The Directors of 12 Wells Mews Limited (the "Company") present their annual report and the audited Financial Statements (the "Financial Statements") for the year ended 31 December 2023.

Incorporation

The Company was incorporated and commenced activities on 16 February 2022.

The Company is a private company, limited by shares and registered in England and Wales.

Principal activities

The principal activity of the Company is the rental of a commercial property located at 12 Wells Mews, London, W1T 3HE.

Results and dividends

The results for the year are set out in the Statement of Comprehensive Income on page 8. The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2023.

Directors

Details of the Directors are disclosed on page 2.

Statement of Director's responsibilities

The Directors are responsible for preparing the annual report and the Financial Statements in accordance with applicable United Kingdom 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 UK-adopted international accounting standards ("IFRSs"). 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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- in respect of the Financial Statements, state whether IFRSs have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- 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 Company's 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' report, that complies with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information.

Report of the Directors (continued)

Secretary

The Secretary of the Company, Crestbridge UK Limited was appointed on 16 February 2022.

Disclosure of information to independent auditor

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 Company's auditor is unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors confirm that they have complied with the above requirements throughout the period and subsequently.

Independent auditor

The independent auditor, Goodman Jones, Statutory Auditor, was appointed as the independent auditor to the Company and in accordance with section 485 of the Companies Act 2006.

Going Concern

The Directors have at the time of approving these accounts for the year ended 31 December 2023, considered the going concern of the Company.

The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern for a period of at least 12 months following the approval of the Financial Statements.

The Company has continuing support from DWS Alternatives GmbH, which is the ultimate controlling party, to enable it to continue operating and meet its liabilities as they fall due.

The Directors have therefore concluded that there is a reasonable expectation that the Company will have adequate resources to meet its liabilities as they fall due and continue in operational existence for a period of at least 12 months following the approval of the Financial Statements. The Financial Statements have therefore been prepared on a going concern basis.

Further details are included in note 3b.

Political contributions

The Company made no political donations during the year ended 31 December 2023.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Qualifying third party indemnity provisions

As permitted by the Companies Act 2006, the Directors have been indemnified in respect of proceedings brought by third parties and qualifying third party indemnity insurance was in place throughout the period and up to the date of approval of the Financial Statements.

Approved by the Board of Directors on 5 April 2024:

DocuSigned by:
Nil Townson
C8B75CE8A5EA4BE...
Mr N D Townson
Director

Independent Auditors' Report to the Members of 12 Wells Mews Limited

Opinion

We have audited the Financial Statements of 12 Wells Mews Limited (the 'Company') for the year ended 31 December 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion the Financial Statements:
- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its profit for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the Financial Statements and our Auditor's Report thereon. 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.

In connection with our audit of the Financial Statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. 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.

Opinion 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 period 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.

Independent Auditors' Report to the Members of 12 Wells Mews Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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; or
• the Director's were not entitled to prepare the Financial Statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the Directors report and from the requirement to prepare a Strategic Report.

Responsibilities of the Directors

As explained more fully in the Directors' Responsibilities Statement on page 1, 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.

Auditors' 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 Auditors' 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.

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.

Based on our understanding of the group and industry, we identified that the principal risks of non- compliance with laws and regulations related to industry sector regulations and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the Financial Statements. We also considered those laws and regulations that have a direct impact on the preparation of the Financial Statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the Financial Statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried. These procedures included:

• Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
• Reading minutes of meetings of those charged with governance;
• Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
• Identifying and testing journal entries;
• Challenging assumptions and judgements made by management in their significant accounting estimates.

Independent Auditors' Report to the Members of 12 Wells Mews Limited (continued)

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non- compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of the 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.

DocuSigned by:
Amit Sharma
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Amit Sharma (Senior Statutory Auditor)

For and on behalf of Goodman Jones LLP
Chartered Accountants and Registered Auditors

29/30 Fitzroy Square, London, W1T 6LQ

5 April 2024

Statement of Comprehensive Income

For the year ending 31 December 2023

	Note	1 January 2023 to 31 December 2023 £	16 February 2022 to 31 December 2022 £
Income			
Rental income		**1,956,934**	960,432
Bank interest income		**7,068**	-
		1,964,002	960,432
Expenses			
Property expenses		**(357,393)**	(58,476)
Administration expenses	17	**(21,653)**	(29,464)
Audit fees	19	**(17,156)**	(14,000)
Professional fees		**(109,211)**	-
HMRC penalties		**(2,411)**	-
Accountancy fees	17	**(32,038)**	(14,038)
Exchange rate variance		**(128)**	-
Bank charges		**(643)**	(60)
		(540,633)	(116,038)
Finance costs	6	**(1,686,454)**	(716,133)
Fair value (loss)/gain on investment property		**(2,000,000)**	1,169,028
(Loss)/Profit before income tax		**(2,263,085)**	1,297,289
Income tax credit/(expense)	7	**292,257**	(316,627)
Total comprehensive (loss)/profit for the year/period		**(1,970,828)**	980,662

All items dealt with in arriving at the (loss)/profit for the periods attributable to equity holders of the Company relate to continuing operations.

There are no items related to other comprehensive income.

The notes on pages 12 to 23 are an integral part of these Financial Statements.

Statement of Financial Position

As at 31 December 2023

	Notes	2023 £	2022 £
ASSETS			
Non-current assets			
Investment property	8	**41,000,000**	43,000,000
Current assets			
Trade and other receivables	9	**1,551,262**	1,325,154
Cash and cash equivalents	10	**2,160,710**	450,787
		3,711,972	1,775,941
Total assets		**44,711,972**	44,775,941
EQUITY			
Shareholder's equity			
Share capital	13	**1,360,100**	100
Retained earnings		**(990,166)**	980,662
		369,934	980,762
Total equity		**369,934**	980,762
LIABILITIES			
Non-current liabilities			
Loan payable	11	**31,654,600**	31,654,600
Deferred tax liability	7	**-**	292,257
Trade and other payables	12	**10,390,900**	10,899,790
		42,045,500	42,846,647
Current liabilities			
Current tax liability	7	**24,370**	24,370
Trade and other payables	12	**1,653,985**	208,029
Interest payable	11	**618,183**	716,133
		2,296,538	948,532
Total liabilities		**44,342,038**	43,795,179
Total equity and liabilities		**44,711,972**	44,775,941

These Financial Statements have been prepared with the provisions applicable to companies subject to the small companies regime within part 15 of the Companies Act 2006.

The Financial Statements were approved and authorised for issue by the Board of Directors on 5 April 2024 and were signed on its behalf by:

DocuSigned by:
Neil Townson
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Mr N D Townson

Director

The notes on pages 12 to 23 are an integral part of these Financial Statements.

Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital £	Non-distributable reserves £	Distributable reserves £	Total £
Balance at 16 February 2022	-	-	-	-
Total comprehensive profit for the period	-	-	980,662	980,662
Fair value movement of investment property	-	1,169,028	(1,169,028)	-
Total comprehensive profit for the period ended 31 December 2022	-	1,169,028	(188,366)	980,662
Shares issued in the period	100	-	-	100
Balance at 31 December 2022	**100**	**1,169,028**	**(188,366)**	**980,762**

	Share capital £	Non-distributable reserves £	Distributable reserves £	Total £
Balance at 01 January 2023	100	1,169,028	(188,366)	980,762
Total comprehensive (loss) for the year	-	-	(1,970,828)	(1,970,828)
Fair value movement of investment property	-	(2,000,000)	2,000,000	-
Total comprehensive income for the year ended 31 December 2023	-	**(2,000,000)**	**29,172**	**(1,970,828)**
Shares issued in the year	1,360,000	-	-	1,360,000
Balance at 31 December 2023	1,360,100	(830,972)	(159,194)	369,934

The notes on pages 12 to 23 are an integral part of these Financial Statements.

Statement of Cash Flows

For the year ended 31 December 2023

	Notes	1 January 2023 to 31 December 2023 £	16 February 2022 to 31 December 2022 £
Cash flows from operating activities			
Cash generated from operations	15	**2,134,327**	10,310,432
Income tax charge		**-**	316,627
Net cash generated from operating activities	15	**2,134,327**	10,627,059
Cash flows from investing activities			
Acquisition of investment property	8	-	(41,830,972)
Net cash (used in)/generated from investing activities		-	(41,830,972)
Cash flows from financing activities			
Proceeds from issuing ordinary shares	13	**1,360,000**	100
Proceeds from borrowings	11	**-**	31,654,600
Interest paid		**(1,784,404)**	-
Net cash (used in)/generated from financing activities		**(424,404)**	31,654,700
Net increase in cash and cash equivalents		**1,709,923**	450,787
Cash and cash equivalents at the beginning of the year/period		**450,787**	-
Cash and cash equivalents at end of year/period	10	**2,160,710**	450,787

The notes on pages 12 to 23 are an integral part of these Financial Statements.

Notes to the Financial Statements

For the year ended 31 December 2023

1 General information

12 Wells Mews Limited (the 'Company') is a private company, limited by shares and registered in England and Wales. The principal place of business is at 8 Sackville Street, London, United Kingdom, W1S 3DG and was incorporated and domiciled in the United Kingdom.

These Financial Statements have been approved for issue by the Board of Directors on 5 April 2024.

2 Statement of compliance

The Financial Statements of the Company have been prepared in compliance with UK-adopted international accounting standards (IFRSs) in conformity with the requirements of the Companies Act 2006.

3 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 throughout the period presented, unless otherwise stated.

(a) Basis of preparation

The Financial Statements are prepared on a going concern basis, under the historical cost convention, except for investment property which is measured at fair value.

New accounting standards and interpretations

(i) New accounting standards, amendments to existing accounting standards and/or interpretations of existing accounting standards (separately or together), "new accounting requirements") adopted during the current period

The Directors have assessed the impact, or potentially impact, of all new accounting requirements. In the opinion of the Directors, there are no mandatory new accounting requirements applicable in the current period that had any material effect on the reported performance, financial position or disclosures of the Company. Consequently, no mandatory new accounting requirements are listed. The Company has not early adopted any new accounting requirements.

(ii) New Accounting Standards and Interpretation not yet adopted

All non-mandatory accounting requirements in issue are either not yet permitted to be adopted or, in the Directors' opinion, would have no material effect on the reported performance, financial position, or disclosures of the Company and consequently have neither been adopted, nor listed.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Financial Statements in conformity with generally accepted accounting principles 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 higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in note 4.

3 Summary of significant accounting policies (continued)

(b) Going concern

The Directors have at the time of approving these accounts for the year ended 31 December 2023, considered the going concern of the Company.

The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern for a period of at least 12 months following the approval of the Financial Statements.

The Company has continuing support from DWS Alternatives GmbH, which is the ultimate controlling party, to enable it to continue operating and meet its liabilities as they fall due.

The Directors have therefore concluded that there is a reasonable expectation that the Company will have adequate resources to meet its liabilities as they fall due and continue in operational existence for a period of at least 12 months following the approval of the Financial Statements. The Financial Statements have therefore been prepared on a going concern basis.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The Financial Statements are presented in Pound Sterling ("£"), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

(d) Financial instruments

(i) Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories:
• those to be measured subsequently at fair value, and
• those to be measured at amortised cost.

Financial Assets	**Classification/Measurement**
Trade and other receivables	Amortised cost

Financial Liabilities	**Classification/Measurement**
Trade and other payables (except for VAT payable and deferred income)	Amortised cost
Postbank loan	Amortised cost
Shareholder loan	Amortised cost

The classification depends on the Company's business model for managing the financial instruments and the contractual terms of the cash flow.

Assets measured at fair value are financial assets at Fair Value through Profit or Loss (FVPL) and financial assets at Fair Value through Other Comprehensive Income (FVOCI), gains and losses of which will be recorded in profit or loss or OCI respectively. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

3 Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

(ii) Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

(iii) Subsequent measurement of financial assets

Subsequent measurement of trade and other receivables depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

The assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the Statement of Comprehensive Income.

(iv) Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables (including any intercompany receivable), the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(v) Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(e) Revenue recognition

Revenue is recognised as follows:

(i) Rental income

The Company's rental revenue is generated through operating leases, which provide tenants a right to use the underlying asset and require the Company to provide common area maintenance and other services. The Company exercises judgment in determining which of its revenue streams that arise from lease agreements are in the scope of IFRS 15 and which are not. Specifically, the Company considers whether a revenue stream related to a lease agreement is for the lease of an asset ("lease component") or is for the provision of a distinct service ("non-lease component"). Base rents and recoveries for insurance and operating costs that are not incurred in connection with tenant services are allocated to the lease component and accounted for pursuant to IFRS 16, Leases, while recoveries for operating costs incurred in connection with tenant services, such as common area maintenance recoveries and other administrative recoveries, are considered to be non-lease components and accounted for within the scope of IFRS 15.

3 Summary of significant accounting policies (continued)

(f) Current and deferred income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in OCI or in equity and not in the profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(g) Leasehold investment property

Leasehold investment properties are initially recognised at cost, being the fair value of the consideration given, including transaction costs associated with the acquisition of the investment property.

After initial recognition, freehold investment properties are measured at fair value, with movement in the unrealised gains and losses recognised in the Statement of Comprehensive Income. Fair value is based upon the market valuations of the properties as provided by the Directors at the balance sheet date, and is reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments.

Leasehold property is derecognised either when it has been disposed of (i.e., at the date the recipient obtains control of the investment property in accordance with the requirements for determining when a performance obligation is satisfied in IFRS 15) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

(h) Expenses

All expenses are accounted for on an accruals basis.

(i) Borrowing costs

Borrowing costs are expensed to the Statement of Comprehensive Income as incurred.

(j) Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits, and highly liquid investments readily convertible within three months or less to known amounts of cash and subject to insignificant risk of changes in value.

(k) Share capital

Ordinary shares are classified as equity.

4 Critical accounting estimates and judgements

The preparation of the Company's Financial Statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Although these estimates are based on the Directors' best knowledge of the events and amounts involved, actual results ultimately may differ from those estimates.

The Directors have made the following judgments, which have the most significant effect on the amounts recognised in the Company's financial information:

(i) Fair valuation of investment property

The market value of investment property is determined to be the estimated amount for which a property should exchange on the date of the valuation in an arm's length transaction. Investment property is stated at fair value, which has been determined based on the valuations performed by Prof. Dr. Gerrit Leopoldsberger in June 2023 in his capacity as accredited independent valuer. Prof. Dr. Gerrit Leopoldsberger has significant expertise in valuing this type of investment property.

The Directors have made judgements that the fair value of the investment property amounting to £41,000,000 based on the valuation performed by Prof. Dr. Gerrit Leopoldsberger reflects the valuation as at 31 December 2023. A detailed explanation of the background, method and estimates made by management that are adopted in the valuation of the investment property is set out in Note 8.

(ii) Deferred taxes

Deferred tax assets and liabilities require management estimate in determining the amounts, if any to be recognised. In particular, estimate is required when assessing the extent to which deferred tax assets should be recognised, taking into account the expected timing and level of future taxable income. Deferred tax assets are only recognised when management believe they will be recovered against future taxable profits.

5 Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's risk management policies employed to manage these risks are discussed below.

(a) 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 prices.

The Company's exposure to market risk is comprised of the following risks:

(i) Foreign Exchange risk

As at the period end, the Company is not exposed to material foreign exchange risk, as the majority of the Company's transactions are in Pound Sterling which is the Company's functional and presentation currency. It is also the Company's policy not to enter into any currency hedging transactions.

(ii) Price risk

The Company is exposed to property price and property rentals risk. The Company has leased the property to short-term tenants and is therefore able to adjust to short-term fluctuations relating to property price and property rentals risk. The Company is not exposed to the market risk with respect to financial instruments as it does not hold any equity securities.

5 Financial risk management (continued)

(iii) Cash flow and fair value interest rate risk

The Company's interest rate risk arises from borrowings (note 11). The shareholder loan is issued at fixed rate and therefore does not expose the Company to cash flow interest rate risk. On this basis, the Directors do not feel that it is appropriate to complete a sensitivity analysis for this borrowing.

The Company is exposed to limited interest rate risk arising on the loan with Postbank. If interest rates increased by 100 basis points, the Company's interest payments would increase by £240,359 (2022: £108,655). If interest rates decreased by 100 basis points, the Company's interest payments would reduce by £208,149 (2022: £109,263). The Directors review the cash flows on a regular basis and do not consider this risk to be significant.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Due to the nature of these receivables management does not consider the credit risk on these receivables to be high.

	2023 £	2022 £
Trade and other receivables	1,538,340	1,320,475
Cash and cash equivalents	2,160,710	450,787

(c) 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 manages liquidity risk by regular reviews of forecast cash flows in line with contractual maturities of financial liabilities and credit facilities available. Forecast cash flows are reported to the Directors on a regular basis.

Investments in property are relatively illiquid, however, the Company has tried to mitigate the associated risk by investing in desirable properties in prime locations.

A summary table with maturity of financial assets and liabilities presented below is used by key management personnel to manage liquidity risks:

As at 31 December 2023	On Demand £	Less than 1 year £	1-5 years £	Over 5 years £	Total £
Liabilities					
Borrowings	-	-	-	31,654,600	31,654,600
Interest payable on shareholder loan	-	618,183	-	-	618,183
Trade and other payables	1,653,985	-	-	10,390,900	12,044,885
	1,653,985	618,183	-	42,045,500	44,317,668

As at 31 December 2022	On demand £	Less than 1 year £	1-5 years £	Over 5 years £	Total £
Liabilities					
Borrowings	-	-	-	31,654,600	31,654,600
Interest payable on shareholder loan	-	716,133	-	-	716,133
Trade and other payables	208,029	-	-	10,899,790	11,107,819
	208,029	716,133	-	42,554,390	43,478,552

5 Financial risk management (continued)

The amounts disclosed in the tables above are the contractual undiscounted cashflows.

(d) Capital management

The Company's objectives in managing its capital are to provide returns to the shareholders by operating the business at a predetermined optimal level, by ensuring the present revenue stream from operation continues to increase and by effectively collecting its receivables as agreed with debtors.

6 Finance costs

	2023 £	2022 £
Finance costs		
Interest on Postbank loan	**926,826**	312,385
Interest on shareholder loan	**759,628**	403,748
Total finance costs	**1,686,454**	716,133

7 Income tax expense

The corporation tax is calculated at a rate of 23.5% (2022: 19%) of taxable profit for the year/period.

	2023 £	2022 £
Current income tax		
Current income tax charge	-	24,370
Deferred tax		
Relating to revaluation of investment property to fair value	(292,257)	292,257
	(292,257)	316,627

There is no charge for the period due to loss as per the income statement

	2023 £	2022 £
(Loss)/profit for the period	(2,263,085)	1,297,289
Tax calculated at 23.5% (2022: 19%)	-	246,485
Effects of:		-
Gains not subject to tax	-	(222,115)
Other timing differences	(292,257)	292,257
Current income tax expense	(292,257)	316,627

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which was effective from 1 April 2023. These changes were substantively enacted at the balance sheet date and hence have been reflected in the measurement of deferred tax balances at the period end.

8 Investment property

	Investment property 2023 £	Investment property 2022 £
Opening balance as at 1 January	**43,000,000**	-
Acquisition	**-**	41,830,972
Unrealised (loss)/gain on fair value of investment property	**(2,000,000)**	1,169,028
Closing balance as at 31 December	**41,000,000**	43,000,000

The property was acquired on 21 June 2022 and consists of a non-residential property at a consideration of £39,577,526 plus direct attributable acquisition costs of £2,253,446 for use as rental space in 12 Wells Mews, London. Rental income earned from investment property for the year ended 31 December 2023 was £1,956,934 (2022: £960,432) and all direct operating expenses arising from investment property that generated rental income were £357,393 (2022: £58,476).

The investment property has been valued by an external valuer, Prof. Dr. Gerrit Leopoldsberger dated June 2023. The valuation has been carried out in accordance with current edition of the RICS Valuation – Global Standards, which incorporates the International Valuation Standards and the RICS Valuation UK National Supplement (the "RICS Red Book"). The external valuation report produced by the external valuers is based on information provided by the Company. In addition, the valuation report is based on assumptions and valuation models used by external valuers. The assumptions are typically market related such as yields, discount rates and are based on their professional judgement and market observation. The Directors have made judgements that the fair value of the investment property amounting to £41,000,000 based on the valuation performed by Prof. Dr. Gerrit Leopoldsberger reflects the valuation as at 31 December 2023.

Description of the valuation techniques used and key inputs to valuation of investment properties:

Valuation technique	**Significant unobservable inputs**	**Range (2023)**
Income approach	Capitalisation rate	3.9%
	Purchaser cost	Stamp duty plus 1.8%
	Net income	$45,000 per annum rising to £1,889,250 per annum once the contractual rent becomes payable on expiry of the rent free and concessionary rent periods
	Average weighted	To break: 6.25 years
	Unexpected term	To expiry: 9.36 years

The valuation would increase with the increase in rent or reduction in yield and the valuation would decrease with a reduction in rent and increase in yield.

9 Trade and other receivables

	2023 £	2022 £
Trade receivables	**22,710**	696
Prepayments	**12,922**	4,679
Rent free debtor	**1,400,468**	661,779
Other receivable	**90,661**	658,000
Self billed income	**19,501**	-
Deposits	**5,000**	-
	1,551,262	1,325,154

The other receivable of £90,661 relates to a retention for the contractors and is being held by the Company's solicitor.

As at 31 December 2023 there was no provision for expected credit losses (2022: £nil).

10 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	**1,273,528**	450,787
Tenant deposits	**887,182**	-
	2,160,710	450,787

11 Borrowings

	2023 £	2022 £
Shareholder loan	**11,154,600**	11,154,600
Postbank loan	**20,500,000**	20,500,000
	31,654,600	31,654,600

During the year the Company continued in a shareholder loan agreement with DWS Alternatives GmbH which bears a fixed interest rate of 6.81%. Interest for each drawdown accrues on the date of drawdown. Interest is repayable in arrears on 30 June and 31 December annually. The entire unpaid principal amount, together with accrued and unpaid interest, must be repaid in full in 10 years. During the year, a total amount of £759,628 (2022: £403,748) of interest was accrued in relation to this loan and a total of £1,175,863 (2022: £nil) of interest was paid.

During the year the Company also continued in a loan agreement with Postbank, a branch of Deutsche Bank AG, which bears a variable interest rate of 3.94% plus SONIA until final maturity. Interest payment dates are 31 March, 30 June, 30 September and 31 December. This loan agreement ends on the business day immediately preceeding the seventh anniversary of the utilisation date, however not later than 30 April 2029. During the period, a total amount of £926,826 (2022: £312,385) of interest was accrued in relation to this loan and a total of £608,541 (2022: £nil) of interest was paid.

Bank loans and overdrafts are secured by a fixed charge over the Company's investment property.

12 Trade and other payables

	2023 £	2022 £
Trade payables	**31,856**	24,574
Accruals	**14,661**	22,258
Deferred income	**444,617**	134,280
VAT liability	**163,991**	26,917
Tenant deposits	**875,592**	-
Amount due to DWS Alternatives GmbH	**10,228,900**	10,079,790
Glazing retention	**-**	658,000
Contractor's retention	**90,661**	-
Right of light retention	**162,000**	162,000
Other Creditors - VAT Payments	**32,607**	-
	12,044,885	11,107,819
Split as follows:		
Current	**1,653,985**	208,029
Non-current	**10,390,900**	10,899,790
	12,044,885	11,107,819

For terms and conditions relating to related party payables, refer to Note 17.

13 Share capital

	2023 £	2022 £
(a) Ordinary Shares		
Authorised		
100 ordinary shares of £1	**100**	100
1,360,000 ordinary shares of £1	**1,360,000**	-
	1,360,100	100
Allotted, called up and fully paid		
100 ordinary shares of £1	**100**	100
1,360,000 ordinary shares of £1	**1,360,000**	-
	1,360,100	100

14 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	**Description and purpose**
Share capital	The number of shares issued and fully paid
Non-distributable reserves	Gains/losses arising on the revaluation of the Company's investment property
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised else where

15 Cash generated from operations

	2023 £	2022 £
(Loss)/profit for the year	**(2,263,088)**	980,662
Fair value movement of investment properties	**2,000,000**	(1,169,028)
Interest payable	**1,686,454**	716,133
Decrease/(increase) in trade and other receivables	**(793,446)**	(1,325,154)
Increase in trade and other payables	**1,504,407**	11,107,819
Cash generated from operating activities	**2,134,327**	10,310,432

16 Employees and Directors

There were no staff costs for the year ended 31 December 2023 (2022: £nil).

The Company has no employees (2022: nil).

The Directors did not receive any remuneration during the year/period (2022: £nil).

17 Related party disclosures

The Directors consider DWS Alternatives GmbH a related party of the Company. The Directors also consider Postbank – a branch of Deustche Bank AG - to be a related party of the Company.

During the year, interest of £759,628 (2022: £403,748) was incurred on the shareholder loan of which £12,487 (2022: £403,748) was overpaid at year end. During the year, interest of £926,826 (2022: £312,385) was incurred on the Postbank loan of which £630,670 (2022: £312,385) was still outstanding at year/period end.

The balance below is related to related party payables that existed at the year/period end:

	2023 £	2022 £
DWS Alternatives GmbH	**10,228,900**	10,079,790
Shareholder loan	**11,154,600**	11,154,600
Postbank loan	**20,500,000**	20,500,000
Interest payable on shareholder loan	**(12,487)**	403,748
Interest payable on Postbank loan	**630,670**	312,385
	42,501,683	42,450,523

All related party balances are unsecured other than the Postbank loan which is secured and all transactions are carried out on an arm's length basis.

Crestbridge UK Limited (CUKL) acted as administrator to the Company and is a related party as Directors of the Company were also Directors and senior employees of CUKL. Accounting fees of £32,038 (2022: £14,038) and administration fees of £21,653 (2022: £29,464) were charged during the period and £22,615 (2022: £13,351) was outstanding at the year/period end.

Trade payables are non-interest bearing, unsecured and are normally settled on demand.

There have been no guarantees provided or received for any related party receivables or payables.

18 Ultimate controlling party

12 Wells Mews Limited is owned by DWS Alternatives GmbH, a company incorporated in Germany and operating under German law, and the registered address is Mainzer Landstrasse 11-17, 60329 Frankfurt am Main.

19 Audit fees

During the year, the Company had audit fees of £17,156 (2022: £14,000) of which £14,000 (2022: £14,000) was outstanding at the year/period end.

20 Events after the reporting period

In the Directors' opinion, no significant events have occurred between the reporting date and the date of approval of these Financial Statements that would be likely to have a material impact upon the Company, its reported financial position, or its results.