REGISTERED NUMBER: 10071765 (England and Wales)

Group Strategic Report,

Report of the Directors and

Consolidated Financial Statements

For The Year Ended 31 March 2023

for

Walls & Futures REIT Plc

Contents of the Consolidated Financial Statements
For The Year Ended 31 March 2023

Company Information
For The Year Ended 31 March 2023

DIRECTORS:	J K McTaggart P A Wylie Ms K Robinson
REGISTERED OFFICE:	Octagon Point 5 Cheapside London EC2V 6AA
REGISTERED NUMBER:	10071765 (England and Wales)
AUDITORS:	Moore Kingston Smith LLP 6th Floor 9 Appold Street London EC2A 2AP

Walls & Futures REIT plc is pleased to announce the company's results for the 12 month period ended 31 March 2023.

The principal activity of the group continues to be investing and developing property to meet the unmet demand for specialist social housing ("SSH") in the UK. We do not have involvement with the care delivered within the properties, which is managed by care providers approved by local authorities.

REVIEW OF BUSINESS
Highlights

- Net Asset Value (NAV) down 9% to 89p per share (2022: 98p per share)
- Revenue £115,398 up 23% (2022: £93,455)
- Loss -£472,775 (2022: Loss of -£122,296)
- Investment property value decreased by 9%
- Earnings per share -12.59p (2022: -3.26p)
- 100% of Specialist Supported Housing rents collected
- Welcome Vengrove as significant shareholder and strategic investor
- Disposal of Pax Homes for £100,000

Overview

For the year 31 March 2023 I am pleased to report that despite the UK's challenging economic backdrop of rising inflation and interest rates the company is poised to complete its new platform for growth and dividend.

Our existing Specialist Supported Housing ("SSH") portfolio performed well, and we collected 100% of our rents which benefited from increases from our inflation adjusted leases. Additionally, we are happy to announce that none of our tenants' face enforcement action from the Regulator of Social Housing.

There has been a modest fall of 9% in the value of our portfolio and our Net Asset Value ("NAV") fell by 9% to 89p per share on 31 March 2023, largely reflective of the rise in UK interest rates. The group does not have any borrowing so has not directly been adversely affected by rising interest rates and the cost of serving debt.

As stated in earlier communications, we had been in discussions with a number of potential strategic investors with whom we might collaborate to scale the Company in terms of equity investment and investment capacity, with the goal of delivering long-term safe income through ethically minded property investments.

As a result of these discussions, in December 2022 we announced that Vengrove, a UK focused, vertically integrated, real estate investment manager with a 10-year track record, had become a significant shareholder in the Company. As of Q3 2022, Vengrove had £650m of assets under management including residential, commercial (office and industrial) and operational real estate.

Together we worked on a new broader investment strategy and a restructure, which would see Vengrove as the Company's external investment manager and the disposal of Pax Homes as we will no longer act as developer. This was overwhelming approved by shareholders at the General Meeting in February 2023 with the sale of Pax Homes.

On the 31 March 2023, the Company sold the ordinary share capital of Pax Homes Limited (“PHL”) to Joe McTaggart, Chief Executive of the Company. PHL was a wholly owned dormant subsidiary of the Company which was incorporated on 16 February 2022 to protect the Pax Homes name, with an ordinary share capital of £1, and was sold on 31 March 2023 for £1 (the “share sale”).

Immediately following the Share Sale, the intellectual property relating to Pax Homes (the “IP”), a specially designed home that will improve the lives of autistic people, was sold to PHL (“the “IP Sale”). In consideration for the IP, PHL has issued the Company 100,000 preference shares of £1 each (the “Preference Shares”). The Preference Shares have the following key terms:

- Coupon 5%
- Coupon payment – Annually on 1 April (cumulative for any outstanding coupons)
- Redemption – 1 April 2029 (early redemption at the option of the issuer on 1 April each year)

Pax Homes has not generated any revenues to date so it has been decided that it would be prudent to write down the value of the investment on our balance sheet as Pax Homes is essentially a start-up and is currently establishing its order book. This will be evaluated annually.

Going Concern Statement

The Group's cash and cash equivalent balance as at 31 March 2023 was £756,524 all of which was readily available. It benefits from a secure income stream of leases, containing upward-only rent reviews. The Directors believe that there are currently no material uncertainties in relation to the Company and the Group's ability to continue for a period of at least 12 months from the date of approval of the Company and Group's financial statements. The board is, therefore, of the opinion that the going concern basis adopted in the preparation of the Annual Report is appropriate.

Outlook for the future

The broader economic outlook and negative sentiment towards the SSH sector has seen the share price of REITs in our sector fall and trade at discounts to their NAV. Furthermore, property companies that had not fixed their interest rates or are planning to refinance in the near future may be obliged to sell otherwise high-quality assets.

We believe this period of flux and uncertainty offers us an excellent opportunity to acquire high-quality, income producing real estate assets across our border social infrastructure these which we define as foundational assets that support the quality of life of regional and local communities.

The four core sectors are:

1. Affordable Housing - e.g. Intermediate Rent and Discount to Market Rent PRS (Private Rental Sector)

   Affordable Housing is fundamental to a fair and healthy community and those most vulnerable are impacted the most. The REIT will acquire affordable housing to lease to key workers and others finding it hard to afford market rent prices across the UK.

2. Education - e.g. Children's Nurseries, Special Education Needs & Schools

   Education is an essential pillar in driving economic growth in local communities across all age groups. The REIT will acquire key educational facilities to further support the education/training of individuals across communities.

3. Roadside & Transport - e.g. Service stations (EV & Petrol), Car Parks, Bus depots

   Community urban infrastructure assets are the physical facilities needed to support and sustain a community of people to live and work. The REIT will acquire roadside & transport assets that act as key infrastructure for a local community and beyond.

4. Civic, Community & Justice - e.g. Community Centres, Libraries, Law Courts, Recycling Facilities

   Civic, community and justice buildings often embody the identity of the communities they serve. In addition to official functions, they fulfil a variety of other purposes such as a place to meet. The REIT will acquire community assets that are used for the well-being of the wider community.

To accurately reflect our investment approach the Company will change its name to Social Infrastructure REIT, a change that was approved at the General Meeting in February 2022. It is anticipated the name change and registration will take place towards the end of 2023 and coincide with a fund raise.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group portfolio is exclusively invested in the UK and therefore exposed to the risks and uncertainties of the UK economy. Although our leases are commercial in structure, the underlying need is residential with rents being paid indirectly by central government.

The value of the properties is subject to fluctuating market conditions and may be affected by consumer confidence, the performance of the UK economy and liquidity in the market.

It does have an ongoing requirement to fund its activities through the debt and/or equity markets for future property acquisitions. There is no certainty that such funds will be available when needed and thus inhibit growth.

Risk management

The success of the Group is predicated on increasing the size of the portfolio, which would be at risk without further capital. In order to mitigate this, the directors will be engaged in regular fund raising.

DIRECTORS DUTIES
The directors of Walls & Futures REIT plc and those of all UK companies must act in accordance with a set of general duties. These duties are detailed in the UK's Companies Act and include a duty to promote the success of the Company which is summarised below.

In summary, as required by Section 172 of the UK's Companies Act, the directors of a company must act in the way he considers, in good faith, would most likely promote the success of the company for the benefit of its shareholders. In doing this, the directors must have regard, amongst other matters, to the:

- likely consequences of any decisions
- in the long term;
- interests of the company's employees;
- need to foster the company's business
- relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- company's reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

Stakeholders

The board understand the importance of engagement with all of its stakeholders and gives appropriate weighting to the outcome of its decisions or the relevant stakeholder in weighing up how best to promote the success of the company. The board regularly discuss issues concerning customers, suppliers, employees, community and environment, regulators and its shareholders, which it takes into account in its decision-making process. In addition to this. The board seeks to understand the interests and views of the company’s stakeholders by engaging with them directly when required. Below is a summary of key stakeholders and how we engage with each.

Customers
The Board is in regular contact with existing customers discussing how the homes are performing and obtaining updates or providing permission for any upgrades that may be required.

Suppliers
We work with a range of suppliers and remain committed to being fair and transparent in our dealings with all of them and that they are paid in a timely manner.

Employees
The Company has an established reporting structure and encourages engagement and effective communication.

Community and environment
The Board is aware of the impact its activities can have on the environment and is committed to minimising our environment footprint.

Regulators
We work with our regulators in an open and proactive manner. The board’s intention is to behave responsibly and to ensure that the management team operates the business in a responsible manner, acting with the high standards and good governance expected of a regulated business like ours.

Shareholders
We have regularly provided our shareholders with updates on strategy and performance through
- official announcements;
- our website;
- email newsletters;
- meetings held between shareholders and key personnel from the Board and;
- Annual General Meeting

FUTURE FUNDING

The Company's current cash resources are insufficient to carry out our new strategy and invest in an income-generating real estate portfolio. As a result, the board will be seeking to raise additional capital.

While we believe the performance of our SSH portfolio, broader social infrastructure focus and platform to take advantage of opportunities will be attractive to new investors, new equity may be priced at a discount to our NAV.

I would like to thank all our shareholders for their patience and continued support and look forward to updating you on this exciting new chapter for the Company.

ON BEHALF OF THE BOARD:

....
J K McTaggart - Director

Date: ....

Report of the Directors
For The Year Ended 31 March 2023

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2023.

DIVIDENDS
No dividends will be distributed for the year ended 31 March 2023.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

J K McTaggart
P A Wylie
Ms K Robinson

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group 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 accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

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 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 group's auditors are aware of that information.

AUDITORS
The auditors, Moore Kingston Smith LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

It is usual for rotation of audit partner every five years, which can be extended in cases where a change in the business means that flexibility in the timing of the rotation is necessary to safeguard the quality of the audit. Given the events of the last year outlined in the strategic report, we believe this to be appropriate, with the additional safeguard that our auditors also have an engagement quality control partner performing an expanded review of their files.

ON BEHALF OF THE BOARD:

....
J K McTaggart - Director

Date: ....

Opinion

We have audited the financial statements of Walls & Futures REIT plc (the 'parent company' and its subsidiaries, the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statements of Cash Flows, 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 Company's affairs as at 31 March 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 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 as applied to listed entities, 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.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement. The subsidiaries of the Parent Company were dormant, or near dormant, during the year so were not considered significant components for the audit.

We conducted our audit from our London office and the audit team communicated regularly throughout the audit with the Audit Committee and management in order to ensure we had a good knowledge of the operations of the group and Company. During the audit, we reassessed and re-evaluated audit risks and tailored our approach accordingly if needed.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, and the relevant specific risks.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal controls that we identified during the audit.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matters</th><th>How our scope addressed this matter</th></tr>
<tr><td>Investment Property:

The Group and Parent Company have investment property valued at £2,500,000 (2022: £2,750,000).

The valuation of investment properties requires an estimation, and the directors enlist the services of an independent valuer to assist in this regard.</td><td>Our audit work included, but was not restricted to, the following procedures:
Critically assessed the Group's external property valuer's objectivity, professional qualifications and resources to complete this service.
Reviewed and critically assessed the independent valuation report provided to us, challenging the key assumptions and the valuation methodology used with reference to publicly available industry data and industry experience.
Analytically reviewed the movement in the valuation of properties from the prior year and obtained the rationale for any change not in line with our expectations. We based our expectations on our experience and current industry benchmarks.
Reviewed the information provided by the Group to the external property valuer and agreed these to supporting documentation.
Considered the adequacy of the Company's disclosures about the degree of estimation and sensitivity to key assumptions made when valuing properties.
<u>Key observations</u>
Based on our audit work, we concluded that the value of investment property held is not materially misstated at the reporting date.

We consider that the disclosures in the financial statements relating to this area to be adequate.</td></tr>
<tr><td>Investments:

The group and parent company have investments in preference shares at £1 (2022: £0). The company acquired 100% of the preference shares in Pax Homes Limited for £100,000 in the year.

The value of investments are required to be stated at lower of cost or net realisable</td><td>Our audit work included, but was not restricted to, the following procedures:
The management was requested to provide an assessment and supporting evidence to prove that the underlying asset, the architectural drawings, has the ability to generate economic benefit. Refer below for work performed by the audit team on evidence provided.
The management's estimation of this value was also requested. Refer below for work performed by the audit team on evidence provided.
We assessed the evidence provided by management, which included an email and documented exchange between the company and a potential investor which evidence the interest of the investor in Pax Homes Limited in which the investment is held. We challenged management's assumption that the value of the investment is £100,000 though enquiries with management and consideration as to the nature of the intangible asset from which Pax Homes will derive economic benefit. It was ultimately concluded that as there is no committed interest in the service which Pax Homes Limited is selling (the construction of the special purpose homes), no value can be attached to the shares and an impairment of the investment was posted.</td></tr>
</table>

	Key observations We noted that no signed contracts or written legally binding support for the idea exist and the management was therefore unable to provide evidence of committed interest in Pax Homes Limited. There was also no evidence that could be found in the wider industry as the asset is unique with no comparable market. It was therefore not possible to obtain sufficient and appropriate evidence to value the asset at £100,000. It was considered appropriate to impair the asset with £99,999 and an audit adjustment was posted.
Capitalisation of Intangible Asset: Walls & Futures REIT Plc capitalised development costs in the current year for the development of an internally generated intangible asset in the form of architectural plans for the construction of special purpose homes for those with autism. At year end, the Walls & Futures REIT Plc has no intangible assets at the year end due to the sale of the intangible asset to Pax Homes Limited, a related party outside of the group. The capitalisation of development costs to the intangible contains estimation and judgement from management. Management of Walls & Futures REIT Plc assessed the recognition criteria for the costs of development to be met as follows; the company demonstrated the technical feasibility, intention and availability of technical, financial and other resources as they paid an architect to design the modular home and draw up this design of the entity and therefore created an intangible asset; as the asset has been sold at year end, this is considered to indicate that the asset is able to generate value; the company has been able to reliably measure the costs associated with the development and design of the homes through detailed entries in the general ledger for the payments made to the architects.	Our audit work included but was not restricted to the following procedures: - Obtained a schedule of costs capitalised to the intangible asset and those expensed as part of this project. No amounts were noted to be expensed. - Enquired from management the rationale behind the capitalisation or expense of the costs that appear on the schedule. - Assessed the treatment of the costs incurred to arrive at the carrying value of the intangible asset against the FRS102 requirements. - Costs capitalised were agreed to supplier invoices. **Key observations** Based on our audit work, we concluded that the costs capitalised to the intangible asset in the current year were not materially misstated at the reporting date. We consider that the disclosures in the financial statements relating to this area to be adequate.

Our application of materiality

The scope and focus of our audit was influenced by our assessment and application of materiality. We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Due to the nature of the Group, we considered the gross asset value to be the main focus for the readers of the financial statements, accordingly this consideration influenced our judgement of materiality. Based on our professional judgement, we determined materiality for the Group and Parent Company to be £45,744 based upon a percentage of gross assets as we considered this to be the principal consideration for users of the financial statements in assessing the financial performance of both the Group and Parent Company.

On the basis of our risk assessments, together with our assessment of the overall control environment, our judgement was that performance materiality (i.e., our tolerance for misstatement in an individual account or balance) for the Group was 50% of materiality, namely £22,872. We agreed to report to the directors all audit differences in excess of £2,287 as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also reported to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

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. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included critically assessing the forecast cashflow of the Group and Parent Company in relation to its capital commitments and ongoing expenditure.

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 Group's and Parent 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 group 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 Group and Parent Company 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 there is a material misstatement in the group 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the Group and Parent Company's financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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 group 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks 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 to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Group and Parent Company.
Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Group and Parent Company and considered that the most significant are Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, the rules of the AQSE Growth Market and UK taxation legislation.
- We obtained an understanding of how the Group and Company comply with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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.

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

Date: ....

Mital Shah (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP
Chartered Accountants
Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Consolidated Statement of Comprehensive Income
For The Year Ended 31 March 2023

	Notes	**2023** **£**	2022 £
TURNOVER	5	**115,398**	93,455
Cost of sales		**-**	1,549
GROSS PROFIT		**115,398**	91,906
Administrative expenses		**239,033**	242,474
		(123,635)	(150,568)
Other operating income		**-**	12,500
(Loss)/gain on revaluation of tangible assets		**(250,000)**	185,000
OPERATING (LOSS)/PROFIT	7	**(373,635)**	46,932
Exceptional item	8	**-**	168,794
		(373,635)	(121,862)
Interest receivable and similar income		**1,749**	61
		(371,886)	(121,801)
Amounts written off investments	9	**99,999**	-
		(471,885)	(121,801)
Interest payable and similar expenses	10	**558**	478
LOSS BEFORE TAXATION		**(472,443)**	(122,279)
Tax on loss	11	**332**	17
LOSS FOR THE FINANCIAL YEAR		**(472,775)**	(122,296)
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(472,775)**	(122,296)
Loss attributable to:			
Owners of the parent		**(472,775)**	(122,296)
Total comprehensive income attributable to:			
Owners of the parent		**(472,775)**	(122,296)
Earnings per share expressed in pence per share:	13		
Basic		**-12.59**	-3.26
Diluted		**-12.59**	-3.26

The notes form part of these financial statements

Consolidated Statement of Financial Position
31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Intangible assets	14		**-**		-
Investments	15		**1**		-
Investment property	16		**2,500,000**		2,750,000
			2,500,001		2,750,000
CURRENT ASSETS					
Debtors	17	**13,493**		42,107	
Cash at bank		**756,524**		949,249	
		770,017		991,356	
CREDITORS					
Amounts falling due within one year	18	**32,592**		25,155	
NET CURRENT ASSETS			**737,425**		966,201
TOTAL ASSETS LESS CURRENT LIABILITIES			**3,237,426**		3,716,201
CREDITORS					
Amounts falling due after more than one year	19		**13,000**		19,000
NET ASSETS			**3,224,426**		3,697,201
CAPITAL AND RESERVES					
Called up share capital	23		**187,754**		187,754
Share premium	24		**3,505,154**		3,505,154
Fair value reserve	24		**1,166,019**		1,416,019
Retained earnings	24		**(1,634,501)**		(1,411,726)
SHAREHOLDERS' FUNDS	26		**3,224,426**		3,697,201

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

....
J K McTaggart - Director

....
P A Wylie - Director

The notes form part of these financial statements

Company Statement of Financial Position
31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Intangible assets	14		**-**		-
Investments	15		**201**		201
Investment property	16		**2,500,000**		2,750,000
			2,500,201		2,750,201
CURRENT ASSETS					
Debtors	17	**14,586**		43,200	
Cash at bank		**756,036**		948,761	
		770,622		991,961	
CREDITORS					
Amounts falling due within one year	18	**32,585**		25,147	
NET CURRENT ASSETS			**738,037**		966,814
TOTAL ASSETS LESS CURRENT LIABILITIES			**3,238,238**		3,717,015
CREDITORS					
Amounts falling due after more than one year	19		**13,000**		19,000
NET ASSETS			**3,225,238**		3,698,015
CAPITAL AND RESERVES					
Called up share capital	23		**187,754**		187,754
Share premium	24		**3,505,154**		3,505,154
Fair value reserve	24		**1,166,019**		1,416,019
Retained earnings	24		**(1,633,689)**		(1,410,912)
SHAREHOLDERS' FUNDS	26		**3,225,238**		3,698,015
Company's loss for the financial year			**(472,777)**		(122,295)

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

....
J K McTaggart - Director

....
P A Wylie - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
For The Year Ended 31 March 2023

	Called up share capital £	Retained earnings £	Share premium £	Fair value reserve £	Total equity £
Balance at 1 April 2021	187,754	(1,061,930)	3,505,154	1,188,519	3,819,497
Changes in equity					
Deficit for the year	-	(122,296)	-	-	(122,296)
Total comprehensive income	-	(122,296)	-	-	(122,296)
Transfer of non-distributable income	-	(227,500)	-	227,500	-
Balance at 31 March 2022	187,754	(1,411,726)	3,505,154	1,416,019	3,697,201
Changes in equity					
Deficit for the year	-	(472,775)	-	-	(472,775)
Total comprehensive income	-	(472,775)	-	-	(472,775)
Transfer of non-distributable income	-	250,000	-	(250,000)	-
Balance at 31 March 2023	187,754	(1,634,501)	3,505,154	1,166,019	3,224,426

The notes form part of these financial statements

Company Statement of Changes in Equity
For The Year Ended 31 March 2023

	Called up share capital £	Retained earnings £	Share premium £	Fair value reserve £	Total equity £
Balance at 1 April 2021	187,754	(1,061,117)	3,505,154	1,188,519	3,820,310
Changes in equity					
Total comprehensive income	-	(122,295)	-	-	(122,295)
Transfer of non-distributable income	-	(227,500)	-	227,500	-
Balance at 31 March 2022	187,754	(1,410,912)	3,505,154	1,416,019	3,698,015
Changes in equity					
Total comprehensive income	-	(472,777)	-	-	(472,777)
Transfer of non-distributable income	-	250,000	-	(250,000)	-
Balance at 31 March 2023	187,754	(1,633,689)	3,505,154	1,166,019	3,225,238

The notes form part of these financial statements

Consolidated Statement of Cash Flows
For The Year Ended 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	**(64,682)**	(359,185)
Interest paid		**(558)**	(478)
Tax paid		**-**	(6)
Net cash from operating activities		**(65,240)**	(359,669)
Cash flows from investing activities			
Sale of fixed asset investments		**-**	12,500
Sale of investment property		**-**	650,000
Development costs recognised in c/year	14	**(123,234)**	-
Interest received		**1,749**	61
Net cash from investing activities		**(121,485)**	662,561
Cash flows from financing activities			
Loan repayments in year		**(6,000)**	(5,000)
Net cash from financing activities		**(6,000)**	(5,000)
(Decrease)/increase in cash and cash equivalents		**(192,725)**	297,892
Cash and cash equivalents at beginning of year	2	**949,249**	651,357
Cash and cash equivalents at end of year	2	**756,524**	949,249

The notes form part of these financial statements

Notes to the Consolidated Statement of Cash Flows
For The Year Ended 31 March 2023

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2023	2022
	£	£
Loss before taxation	(472,443)	(122,279)
Loss/(profit) on disposal of fixed assets	23,234	(12,500)
Loss/(gain) on revaluation of fixed assets	250,000	(185,000)
Impairment of investment	99,999	-
Finance costs	558	478
Finance income	(1,749)	(61)
	(100,401)	(319,362)
Decrease/(increase) in trade and other debtors	28,614	(38,686)
Increase/(decrease) in trade and other creditors	7,105	(1,137)
Cash generated from operations	(64,682)	(359,185)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2023

	31/3/23	1/4/22
	£	£
Cash and cash equivalents	756,524	949,249

Year ended 31 March 2022

	31/3/22	1/4/21
	£	£
Cash and cash equivalents	949,249	651,357

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/22	Cash flow	At 31/3/23
	£	£	£
Net cash			
Cash at bank	949,249	(192,725)	756,524
	949,249	(192,725)	756,524
Debt			
Debts falling due within 1 year	(6,000)	-	(6,000)
Debts falling due after 1 year	(19,000)	6,000	(13,000)
	(25,000)	6,000	(19,000)
Total	924,249	(186,725)	737,524

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

Walls & Futures REIT Plc is a public company, registered in England and Wales. The company's registered number and registered office address can be found on the Company information page.

2. **STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. **ACCOUNTING POLICIES**

Basis of preparing the financial statements
The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Basis of consolidation
The consolidated financial statements incorporate those of Walls & Futures REIT plc and all of its subsidiaries. Subsidiaries acquired during the year are consolidated using the purchase method. All financial statements are made up to 31 March 2023.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £472,767 (2022: loss £122,295).

Significant judgements and estimates
In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on ·an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Valuation of Investment Properties
The fair value of investment properties are determined by external property valuation experts to be the estimated amount for which a property should exchange on the date of valuation in an arm's length transaction.
The valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors ('RCIS') Valuation and the experts used recognised valuation techniques applying factors such as current market conditions, annual rentals and the contractual terms of the leases.

Capitalisation of Development Costs
The costs that the group have incurred in the development of the Pax Homes design have been capitalised during the year as an intangible asset.

Impairment of Investments
A detailed impairment review is carried out in respect of investments to assess at each reporting date whether there is an indication that the carrying value of the asset may be impaired.

Going Concern
Management review the operations of the company, particularly when it is loss making, to ascertain if it is a going concern. Judgement is therefore required to review future cash flow forecasts for the company to decide if it has sufficient resources to meet its obligations.

continued...

3. **ACCOUNTING POLICIES - continued**

Turnover
Turnover is measured as the gross value of rental income received.

Intangible assets
The Group recognises, with the statement of financial position, costs associated with the acquisition of licences and development costs.

(i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at the cost less accumulated impairment losses.

(ii) Internally generated intangible assets (licenses and development expenditure)

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefit;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the expenditure attributed to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in the statement of profit and loss in the period in which it incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided at the following annual rates:

- Intellectual property - Straight line 5 - 10 years

Subsequent development expenditure which meets the criteria for capitalisation as an intangible asset is capitalised in the specific asset to which it relates. All other expenditure is recognised in profit or loss.

(iii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no further economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(iv) Impairment of intangible assets

At the end of each reporting period the group reviews the carrying amounts of its 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).

continued...

3. **ACCOUNTING POLICIES – continued**

Intangible assets with indefinite useful economic lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The recoverable amount is considered to be the higher of fair value less costs of disposal 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 is estimated to be less than its carrying amount, the carrying amount of the asset 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.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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

The entity reviews the carrying values of its tangible fixed assets at each reporting date, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the estimated recoverable value of the asset is used to determine the extent of the impairment loss (if any).

Investment property
Investment property is shown at fair value. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Financial instruments
The company has elected to apply the provisions of Section 11: 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues ' of FRS 102 to all of its financial instruments

The company only enters into basic financial instruments that result in the recognition of financial assets and liabilities such as trade debtors and creditors.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

Debtors
Short terms debtors are measured at transaction price, less any impairment.

Cash and cash equivalents
Cash is represented by current accounts, cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors
Short term creditors are measured at the transaction price.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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 statement of financial position date.

continued...

3. **ACCOUNTING POLICIES - continued**

Currency
The financial statements are prepared in Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

Going concern
After due consideration of the future cash flows of the Group and the Company, the directors are confident that the Group, and the Company, has sufficient financial resources to meet its obligations as a going concern for the foreseeable future, being more than 12 months from the date of approving the financial statements.

4. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The valuation of investments and investment property are areas of judgement and estimation uncertainty. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are those relating to the fair value of these assets. They are revalued annually by the directors, having taken advice from the Group's independent external valuers, and adjusted for any impairment.

5. **TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	2023	2022
	£	£
UK Property income	**115,398**	93,455
	115,398	93,455

6. **EMPLOYEES AND DIRECTORS**

	2023	2022
	£	£
Wages and salaries	**59,100**	91,333
Social security costs	**943**	5,466
	60,043	96,799

The average number of employees during the year was as follows:

	2023	2022
Management	**3**	3

	2023	2022
	£	£
Directors' remuneration	**59,100**	91,333

7. **OPERATING (LOSS)/PROFIT**

The operating loss (2022 - operating profit) is stated after charging/(crediting):

	2023	2022
	£	£
Loss/(profit) on disposal of fixed assets	**23,234**	(12,500)
Auditors' remuneration	**24,800**	16,800

continued...

8. **EXCEPTIONAL ITEMS**

In 2022 the group was the subject of a hostile takeover and incurred £168,794 of legal and professional fees in defending this takeover bid. No such expenses were incurred in 2023.

9. **AMOUNTS WRITTEN OFF INVESTMENTS**

	2023	2022
	£	£
Amounts written off investment	**99,999**	-

The investment in Pax Homes Limited has been impaired to the net asset value.

10. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2023	2022
	£	£
Bank interest	**1**	-
Bank loan interest	**557**	578
HMRC fines	**-**	(100)
	558	478

11. **TAXATION**

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	**332**	17
Tax on loss	**332**	17

UK corporation tax has been charged at 19%.

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2023	2022
	£	£
Loss before tax	**(472,443)**	(122,279)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	**(89,764)**	(23,233)
Effects of:		
Expenses not deductible for tax purposes	**19,920**	62,981
Income not taxable for tax purposes	**-**	(2,394)
Utilisation of tax losses	**-**	(2,192)
Loss/(gain) on revaluation	**47,500**	(35,150)
Exempt REIT loss	**22,676**	-
Unprovided tax prior year	**-**	5
Total tax charge	**332**	17

continued...

12. **INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

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

The loss made by the company for the current year is (£472,775) (2022: (£122,296)).

13. **EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the company by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

The company has 43,485 warrants in existence which are exercisable at £1 each on or before 30th September 2022. Basic earnings per share is equal to diluted earnings per share because the warrants are anti-dilutive.

	Earnings £	**2023 Weighted average number of shares**	**Per-share amount pence**
Basic EPS			
Earnings attributable to ordinary shareholders	**(472,775)**	**3,755,086**	**-12.59**
Effect of dilutive securities	**-**	**-**	**-**
Diluted EPS			
Adjusted earnings	**(472,775)**	**3,755,086**	**-12.59**

	Earnings £	2022 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(122,296)	3,755,086	-3.26
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	(122,296)	3,755,086	-3.26

14. **INTANGIBLE FIXED ASSETS**

Group

	Development costs £
COST	
Additions	**123,234**
Disposals	**(123,234)**
At 31 March 2023	**-**
NET BOOK VALUE	
At 31 March 2023	**-**

continued...

14. **INTANGIBLE FIXED ASSETS - continued**

Group

The costs relating to the development of a Pax Homes design of £123,234 were capitalised during the year.

The design was then sold to Pax Homes Ltd for £100,000 with payment being in the form of redeemable 5% preference shares in Pax Homes Limited.

Company

	Development costs £
COST	
Additions	**123,234**
Disposals	**(123,234)**
At 31 March 2023	**-**
NET BOOK VALUE	
At 31 March 2023	**-**

15. **FIXED ASSET INVESTMENTS**

Group

	Unlisted investments £
COST	
Additions	**100,000**
Impairments	**(99,999)**
At 31 March 2023	**1**
NET BOOK VALUE	
At 31 March 2023	**1**

Market value of listed investments at 31 March 2023 - £1.

Company

	Unlisted investments £
COST	
At 1 April 2022	**201**
Additions	**100,000**
Disposals	**(1)**
Impairments	**(99,999)**
At 31 March 2023	**201**
NET BOOK VALUE	
At 31 March 2023	**201**
At 31 March 2022	201

continued...

15. **FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Walls & Futures Ltd
Registered office: 3rd Floor 111 Buckingham Palace Road, London, SW1W 0SR
Nature of business: Property Management

Class of shares:	% holding
Ordinary	100.00

	31/3/23	31/3/22
	£	£
Aggregate capital and reserves	(615)	(615)

Social Infrastructure REIT Ltd
Registered office: 3rd Floor 111 Buckingham Palace Road, London, SW1W 0SR
Nature of business: Investment Company

Class of shares:	% holding
Ordinary	100.00

	2023	31/3/22
	£	£
Aggregate capital and reserves	4	4

Walls & Futures (LP) Ltd changed its name to Social Infrastructure REIT Ltd with effect from 6 February 2023.

Walls & Futures (GP) Ltd
Registered office: 3rd Floor, 111 Buckingham Palace Road, London, SW1W 0SR
Nature of business: Investment Company

Class of shares:	% holding
Ordinary	100.00

	31/3/23	31/3/22
	£	£
Aggregate capital and reserves	1	1

Pax Homes Limited
Registered office: 10-12 Mulberry Green, Harlow, Essex CM17 0ET
Nature of business: Other letting and operating real estate

Class of shares:	% holding
Ordinary Shares	100.00

	2023	2022
	£	£
Aggregate capital and reserves	-	1

Pax Homes Ltd, a dormant company, was incorporated in February 2022.

The Ordinary share in Pax Homes Limited held by Walls & Futures REIT plc was sold to Joe McTaggart on 31st March 2023.

During the year Pax Homes Limited purchased the Pax Homes design from Walls & Futures REIT plc in return for £100,000 in the form of 100,000 5% Preference shares.

An impairment review has been carried out and the value of the preference shares has been impaired to the net asset value of £1.

continued...

16. **INVESTMENT PROPERTY**

Group

	Total £
FAIR VALUE	
At 1 April 2022	**2,750,000**
Revaluations	**(250,000)**
At 31 March 2023	**2,500,000**
NET BOOK VALUE	
At 31 March 2023	**2,500,000**
At 31 March 2022	2,750,000

The properties are valued at fair value. The valuation at the year end was carried out by H & W Property Valuers, professional valuers as at 31 March 2023. The valuations were undertaken in accordance with the requirements of FRS 102 and the RICS Valuation - Global Standards.

In the year there was a decrease in the fair value by £250,000 (2022: an increase in the fair value of £227,500).

If investment property had not been revalued it would have been included at the following historical cost £1,333,981 (2022: £1,333,981).

Fair value at 31 March 2023 is represented by:

	£
Valuation in 2023	**1,166,019**
Cost	**1,333,981**
	2,500,000

Company

	Total £
FAIR VALUE	
At 1 April 2022	**2,750,000**
Revaluations	**(250,000)**
At 31 March 2023	**2,500,000**
NET BOOK VALUE	
At 31 March 2023	**2,500,000**
At 31 March 2022	2,750,000

Fair value at 31 March 2023 is represented by:

	£
Valuation in 2023	**1,166,019**
Cost	**1,333,981**
	2,500,000

continued...

16. **INVESTMENT PROPERTY - continued**

Company

If investment property had not been revalued it would have been included at the following historical cost:

	2023	2022
	£	£
Cost	1,333,981	1,333,981

Investment property was valued on a fair value basis on 31 March 2023 by H & W Property Valuers Ltd.

17. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Other debtors	718	221	497	-
Amounts due from group company	-	-	1,314	1,314
Prepayments	12,775	41,886	12,775	41,886
	13,493	42,107	14,586	43,200

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts (see note 20)	6,000	6,000	6,000	6,000
Tax	509	177	509	177
Other creditors	8	9	-	1
Accrued expenses	26,075	18,969	26,076	18,969
	32,592	25,155	32,585	25,147

19. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans (see note 20)	13,000	19,000	13,000	19,000

continued...

20. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Amounts falling due within one year or on demand:				
Bank loans	**6,000**	6,000	**6,000**	6,000
Amounts falling due between one and two years:				
Bank loans - 1-2 years	**6,000**	6,000	**6,000**	6,000
Amounts falling due between two and five years:				
Bank loans - 2-5 years	**7,000**	13,000	**7,000**	13,000

21. SECURED DEBTS

There is a floating credit facility of £600,000 that is not drawn down but is secured on 8 Westward Road.

22. FINANCIAL INSTRUMENTS

Group

	2023	**2022**
	£	**£**
Carrying amount of financial assets		
Assets measured at amortised cost	**718**	221
Carrying amount of financial liabilities		
Measured at amortised cost	**45,076**	43,969

Company

	2023	**2022**
	£	**£**
Carrying amount of financial assets		
Assets measured at amortised cost	**497**	-
Carrying amount of financial liabilities		
Measured at amortised cost	**45,076**	43,969

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**2023**	2022
			£	£
3,755,086	Ordinary Shares	5p	**187,754**	187,754

continued...

24. **RESERVES**

Group

	Retained earnings £	Share premium £	Fair value reserve £	Totals £
At 1 April 2022	(1,411,726)	3,505,154	1,416,019	3,509,447
Deficit for the year	(472,775)			(472,775)
Transfer of non-distributable income	250,000	-	(250,000)	-
At 31 March 2023	(1,634,501)	3,505,154	1,166,019	3,036,672

Company

	Retained earnings £	Share premium £	Fair value reserve £	Totals £
At 1 April 2022	(1,410,912)	3,505,154	1,416,019	3,510,261
Deficit for the year	(472,777)			(472,777)
Transfer of non-distributable income	250,000	-	(250,000)	-
At 31 March 2023	(1,633,689)	3,505,154	1,166,019	3,037,484

25. **RELATED PARTY DISCLOSURES**

The Ordinary share in Pax Homes Limited held by Walls & Futures REIT plc was sold to Joe McTaggart on 31 March 2023.

During the year Pax Homes Limited purchased the Pax Homes design from Walls & Futures REIT plc in return for £100,000 in the form of 100,000 5% Preference shares.

An impairment review has been carried out and the value of the preference shares has been impaired to the net asset value of £1.

The private rental properties have now been sold so there will be no ongoing cost commitment with Wigmore Jones Limited.

26. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

Group

	2023 £	2022 £
Loss for the financial year	(472,775)	(122,296)
Net reduction of shareholders' funds	(472,775)	(122,296)
Opening shareholders' funds	3,697,201	3,819,497
Closing shareholders' funds	3,224,426	3,697,201

continued...

26. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued**

Company

	2023	2022
	£	£
Loss for the financial year	**(472,777)**	(122,295)
Net reduction of shareholders' funds	**(472,777)**	(122,295)
Opening shareholders' funds	**3,698,015**	3,820,310
Closing shareholders' funds	**3,225,238**	3,698,015

Consolidated Trading and Profit and Loss Account
For The Year Ended 31 March 2023

	2023 £	2023 £	2022 £	2022 £
Sales		**115,398**		93,455
Cost of sales				
Utilities	**-**		637	
Repairs and renewals	**-**		912	
		-		1,549
GROSS PROFIT		**115,398**		91,906
Other income				
Profit on sale of fixed asset investments	**-**		12,500	
Deposit account interest	**1,749**		61	
		1,749		12,561
		117,147		104,467
(Loss)/gain on revaluation of assets				
(Loss)/gain on revaluation of tangible assets		**(250,000)**		185,000
		(132,853)		289,467
Expenditure				
Rates and water	**3,992**		6,590	
Directors' salaries	**59,100**		91,333	
Directors' social security	**943**		5,466	
Telephone	**1,482**		1,319	
Post, printing and stationery	**8,976**		9,542	
Advertising	**29,451**		29,913	
Travelling	**82**		74	
Subscriptions	**853**		2,800	
Computer costs	**3,199**		1,840	
Repairs and renewals	**-**		522	
Business insurance	**4,978**		4,419	
Sundry expenses	**371**		221	
Accountancy	**10,044**		9,137	
Payroll	**262**		344	
Commission paid	**-**		11,925	
Legal and professional fees	**67,133**		50,035	
Auditors' remuneration	**24,800**		16,800	
Entertainment	**-**		79	
		(215,666)		(242,359)
		(348,519)		47,108
Finance costs				
Bank charges	**133**		115	
Bank interest	**1**		-	
Bank loan interest	**557**		578	
HMRC fines	**-**		(100)	
		(691)		(593)
Carried forward		**(349,210)**		46,515

This page does not form part of the statutory financial statements

Consolidated Trading and Profit and Loss Account
For The Year Ended 31 March 2023

	2023		2022	
	£	£	£	£
Brought forward		**(349,210)**		46,515
Loss on sale of intangible fixed assets		**23,234**		-
		(372,444)		46,515
Amounts written off investments				
Amounts written off investment		**(99,999)**		-
		(472,443)		46,515
Exceptional items				
Exceptional item		**-**		168,794
NET LOSS		**(472,443)**		(122,279)