

Tallwood Limited

Unaudited Financial Statements

For the year ended 31 December 2022

Pages for Filing with Registrar

Company Registration No. 03914548 (England and Wales)

Tallwood Limited

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Tallwood Limited

Balance Sheet

As at 31 December 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	4		31,494		45,275
Investment properties	5		70,317,003		101,941,553
Investments	6		300,000		300,000
			<u>70,648,497</u>		<u>102,286,828</u>
Current assets					
Debtors	7	1,148,036		965,380	
Cash at bank and in hand		<u>4,978,806</u>		<u>2,641,815</u>	
			6,126,842		3,607,195
Creditors: amounts falling due within one year	8	<u>(24,888,020)</u>		<u>(23,051,055)</u>	
Net current liabilities			<u>(18,761,178)</u>		<u>(19,443,860)</u>
Total assets less current liabilities			<u>51,887,319</u>		<u>82,842,968</u>
Creditors: amounts falling due after more than one year	9		(53,290,202)		(52,987,890)
Provisions for liabilities	10		<u>(5,306)</u>		<u>(6,826,108)</u>
Net (liabilities)/assets			<u><u>(1,408,189)</u></u>		<u><u>23,028,970</u></u>
Capital and reserves					
Called up share capital	11		100		100
Revaluation reserve			10,505,180		20,468,257
Profit and loss reserves			<u>(11,913,469)</u>		<u>2,560,613</u>
Total equity			<u><u>(1,408,189)</u></u>		<u><u>23,028,970</u></u>

Tallwood Limited

Balance Sheet (Continued)

As at 31 December 2022

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

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

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

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

The financial statements were approved by the board of directors and authorised for issue on 27 September 2023 and are signed on its behalf by:

Mr S H Jenkins
Director

Company Registration No. 03914548

Tallwood Limited

Statement of Changes in Equity

For the year ended 31 December 2022

	Share capital	Revaluation reserves	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2021	100	22,105,717	2,050,824	24,156,641
Year ended 31 December 2021:				
Loss for the year	-	-	(1,127,671)	(1,127,671)
Other comprehensive income:				
Tax relating to other comprehensive income	-	(1,637,460)	-	(1,637,460)
Total comprehensive income for the year	-	(1,637,460)	(1,127,671)	(2,765,131)
Transfers	-	-	1,637,460	1,637,460
Balance at 31 December 2021	100	20,468,257	2,560,613	23,028,970
Year ended 31 December 2022:				
Loss for the year	-	-	(24,437,159)	(24,437,159)
Other comprehensive income:				
Tax relating to other comprehensive income	-	6,822,752	-	6,822,752
Total comprehensive income for the year	-	6,822,752	(24,437,159)	(17,614,407)
Transfers	-	-	9,963,077	9,963,077
Other movements	-	(16,785,829)	-	(16,785,829)
Balance at 31 December 2022	100	10,505,180	(11,913,469)	(1,408,189)

Tallwood Limited

Notes to the Financial Statements

For the year ended 31 December 2022

1 Accounting policies

Company information

Tallwood Limited is a private company limited by shares incorporated in England and Wales. The registered office is 146-148 Clerkenwell Road, 2nd Floor, London, EC1R 5DG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.4 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% straight line
Fixtures and fittings	20% straight line

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

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Tallwood Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 (or cash-generating unit) 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.

1.8 Cash at bank and in hand

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

Tallwood Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

1.9 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.

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

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

Basic financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Tallwood Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	3	3

3 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	85,141	374,796
Adjustments in respect of prior periods	-	40,119
Total current tax	85,141	414,915
Deferred tax		
Origination and reversal of timing differences	(6,820,802)	(1,421)
Changes in tax rates	-	1,638,266
Tax losses carried forward	-	59,174
Total deferred tax	(6,820,802)	1,696,019
Total tax (credit)/charge	(6,735,661)	2,110,934

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2022 and 31 December 2022	128,198
Depreciation and impairment	
At 1 January 2022	82,923
Depreciation charged in the year	13,781
At 31 December 2022	96,704
Carrying amount	
At 31 December 2022	31,494
At 31 December 2021	45,275

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Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

5 Investment property

	2022 £
Fair value	
At 1 January 2022	101,941,553
Revaluations	(31,624,550)
	<u>70,317,003</u>
At 31 December 2022	<u>70,317,003</u>

The directors have reviewed the valuation of the investment properties. In valuing the properties the directors had due regard to reports prepared by qualified surveyors and general market trends. Account is also taken of factors specific to individual properties.

6 Fixed asset investments

	2022 £	2021 £
Investments	300,000	300,000
	<u>300,000</u>	<u>300,000</u>

The directors have reviewed the valuation of the investment. The holding is a minority interest, the entity is unlisted and the directors are of the view that the value stated is appropriate.

7 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	556,880	392,939
Other debtors	426,706	390,664
Prepayments and accrued income	164,450	181,727
	<u>1,148,036</u>	<u>965,330</u>

8 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	122,599	221,732
Corporation tax	85,141	415,015
Other taxation and social security	144,342	142,991
Other creditors	23,638,941	21,457,657
Accruals and deferred income	896,997	813,660
	<u>24,888,020</u>	<u>23,051,055</u>

Tallwood Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

9 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Other creditors	53,290,202	52,987,890
	<u>53,290,202</u>	<u>52,987,890</u>

10 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	5,306	3,356
Revaluations	-	6,822,752
	<u>5,306</u>	<u>6,826,108</u>
Movements in the year:		2022 £
Liability at 1 January 2022		6,826,108
Credit to profit or loss		(6,820,802)
Liability at 31 December 2022		<u>5,306</u>

11 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of 10p each	1,000	1,000	100	100
	<u>1,000</u>	<u>1,000</u>	<u>100</u>	<u>100</u>

12 Operating lease commitments

Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2022 £	2021 £
	9,909,734	12,485,561
	<u>9,909,734</u>	<u>12,485,561</u>

13 Related party transactions

Tallwood Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

13 Related party transactions

(Continued)

The company rents offices to a connected company and charged them £68,803 (2021: £114,484) in respect of rents and service charges for the year.

During the year the company entered into transactions with a director for professional services with consideration of £52,500 (2021: £45,000). This cost is recognised within administrative expenses.

A connected company has advanced funds to the company. This loan bears interest at a commercial rates and are unsecured. The balance outstanding on the loans at 31 December 2022 was £19,300,000 (2021: £19,300,000).

At the balance sheet date the company owed one of its directors £53,290,202 (2021: £52,987,890). Interest at a market rate is charged on this amount and there is no repayment date for this balance.

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