Tallwood Limited

Unaudited Financial Statements

For Filing with Registrar

For the year ended 31 December 2020

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A05 30/12/2021 #58
COMPANIES HOUSE

Company Registration No. 03914548 (England and Wales)

Tallwood Limited

Company Information

Directors	Mr S H Jenkins Miss C Crichton-Stuart Mrs S Bute Mr J B Dumfries	 (Appointed 28 April 2021)
Secretary	Mr S H Jenkins	
Company number	03914548	
Registered office	146-148 Clerkenwell Road 2nd Floor London EC1R 5DG	

Tallwood Limited

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Tallwood Limited

Balance Sheet

As at 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	4		647,130		673,340
Investment properties	5		100,671,919		100,671,919
Investments	6		300,000		300,000
			101,619,049		101,645,259
Current assets					
Debtors	7	1,011,290		1,139,993	
Cash at bank and in hand		1,352,674		1,054,006	
		2,363,964		2,193,999	
Creditors: amounts falling due within one year	8	(2,873,125)		(3,531,068)	
Net current liabilities			(509,161)		(1,337,069)
Total assets less current liabilities			101,109,888		100,308,190
Creditors: amounts falling due after more than one year	9		(72,369,081)		(72,369,081)
Provisions for liabilities			(3,500,000)		(3,500,000)
Net assets			25,240,807		24,439,109
Capital and reserves					
Called up share capital	11		100		100
Revaluation reserve	12		21,427,490		21,427,490
Profit and loss reserves	13		3,813,217		3,011,519
Total equity			25,240,807		24,439,109

Tallwood Limited

Balance Sheet (Continued)

As at 31 December 2020

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 2020 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 Act 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 30/12/21 and are signed on its behalf by:

....

Mr S H Jenkins

Director

Company Registration No. 03914548

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 pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments 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.

This assessment of going concern includes the expected impact of Covid 19 to the entity in the 12 months following the signing of these 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
Improvements to property	10% 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 Accounting policies (Continued)

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.

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 Accounting policies **(Continued)**

1.8 Cash at bank and in hand

Cash at bank and in hand 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.

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

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 are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

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 are 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Investment Properties

The revaluation of investment properties has had the most significant effect on the financial statements.

The company holds its investment properties at fair value. In order to arrive at this value, the company considers various factors including, the reports prepared by independent valuation experts, the location and condition of the properties, the occupancy rates, an appraisal of the current market environment and recent market transactions involving similar assets.

The estimates and underlying assumptions are reviewed on an ongoing basis.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2019 - 2).

4 Tangible fixed assets

	Plant and machinery etc	Improvements to property	Total
	£	£	£
Cost			
At 1 January 2020	88,097	1,099,763	1,187,860
Additions	462	72,386	72,848
At 31 December 2020	88,559	1,172,149	1,260,708
Depreciation and impairment			
At 1 January 2020	59,562	454,959	514,521
Depreciation charged in the year	8,093	90,964	99,057
At 31 December 2020	67,655	545,923	613,578
Carrying amount			
At 31 December 2020	20,904	626,226	647,130
At 31 December 2019	28,536	644,804	673,340

5 Investment property

	2020
	£
Fair value	
At 1 January 2020 and 31 December 2020	100,671,919

The directors have reviewed the valuation of the investment properties. Covid 19 has had a marked effect on commercial office property values as the potential implications of working from home are considered and in particular the effect on demand for office space. 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

	2020	2019
	£	£
Investments	300,000	300,000

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

Amounts falling due within one year:	2020 £	2019 £
Trade debtors	375,417	311,372
Other debtors	635,873	828,621
	1,011,290	1,139,993

8 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	603,993	801,839
Other taxation and social security	305,669	529,644
Other creditors	1,963,463	2,199,585
	2,873,125	3,531,068

9 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans and overdrafts	19,300,000	19,300,000
Other creditors	53,069,081	53,069,081
	72,369,081	72,369,081

10 Loans and overdrafts

	2020 £	2019 £
Bank loans	19,300,000	19,300,000
Payable after one year	19,300,000	19,300,000

The bank loan bears interest at market linked rates. Security is held over a number of the company properties together with a floating charge over the assets of the company.

11 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
1,000 ordinary shares of 10p each	100	100
	100	100

12 Revaluation reserve

	2020	2019
	£	£
At beginning and end of year	21,427,490	21,427,490

13 Profit and loss reserves

	2020	2019
	£	£
At the beginning of the year	3,011,519	2,948,357
Profit for the year	801,698	63,162
At the end of the year	3,813,217	3,011,519

14 Related party transactions

The company rents offices to Cumbrae Properties (1963) Limited, a company controlled by a shareholder, and charged them £132,378 (2019 - £136.170) in respect of rents and service charges for the year.

During the year the company entered into transactions with a director for professional services £31,234 (2019 - £ 30,324).

15 Directors' transactions

Dividends totalling £0 (2019 - £0) were paid in the year in respect of shares held by the company's directors.

At the balance sheet date the company owed J C Bute (now represented by his Executors) £53,569,081 (2019: £53, 569,081). Interest at a market rate is charged on this amount and there is no repayment date for this balance. Under the terms of the loan, no more than £500,000 will be repaid before 1st January 2022.