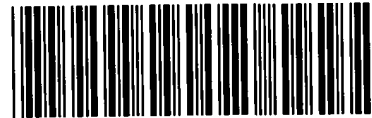


Company Registration No. 05695345 (England and Wales)

V22 LONDON LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019

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COMPANIES HOUSE

KLSA

Chartered Accountants

PKF

Member firm of PKF International Ltd

V22 LONDON LIMITED

COMPANY INFORMATION

Directors	K Cranswick K Sheldrick	(Appointed 1 April 2020)
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Company number	05695345
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Registered office	10-16 Ashwin Street London E8 3DL
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Auditor	KLSA LLP Kalamu House 11 Coldbath Square London EC1R 5HL
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V22 LONDON LIMITED

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V22 LONDON LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2019

The directors present their annual report and financial statements for the period ended 30 June 2019.

Principal activities

The principal activity of the company continued to be that of provision of specialist services to the London art market and creative sector in particular studio lets and affordable workspace.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

K Cranswick	
K Sheldrick	(Appointed 1 April 2020)
Bruce Mcrobie	(Resigned 6 November 2019)
Ndoro Fungai	(Appointed 5 October 2019 and resigned 28 January 2020)
Gazala Jaweed	(Resigned 1 August 2019)

Auditor

Fryza Bannister Financials Ltd resigned as auditor in accordance with Section 516 of the Companies Act 2006.

KLSA LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

V22 LONDON LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2019

COVID-19 and Going concern

As explained in more detail in note 1.2 of the financial statements, the COVID-19 pandemic is having an impact on the operations of the company.

The directors wish to extend our deepest sympathy to the families of those colleagues that have lost lives to COVID-19.

The safety of our colleagues and our customers is paramount and will continue to guide everything we do as we move forward over the months ahead. The company is trying its best to provide an uninterrupted service.

The directors are monitoring the company's performance and have taken measures to mitigate the impact of COVID-19 on its activities and with the parent's continued support, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and so continue to prepare these financial statements on the going concern basis.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



K Cranswick
Director

18 December 2020

V22 LONDON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF V22 LONDON LIMITED

Opinion

We have audited the financial statements of V22 London Limited (the 'company') for the period ended 30 June 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of 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 company's affairs as at 30 June 2019 and of its loss for the period 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

The investment properties in the books of account have been reflected at fair value during the period, details of which are in Note 6 of the financial statements. Since the accounting reference date, the UK economy has faced significant challenges brought about by the impact of COVID-19 which may have caused a material valuation uncertainty to exist at the date of signing this report. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

V22 LONDON LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF V22 LONDON LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

V22 LONDON LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF V22 LONDON LIMITED

Use of our report

This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member for our audit work, for this report, or for the opinions we have formed.



**Shilpa Chheda (Senior Statutory Auditor)
for and on behalf of KLSA LLP**

18 December 2020

**Chartered Accountants
Statutory Auditor**

Kalamu House
11 Coldbath Square
London
EC1R 5HL

V22 LONDON LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 JUNE 2019

		18 months ended 30 June 2019 £	Year ended 31 December 2017 £
	Notes		
Turnover		1,469,966	1,112,227
Cost of sales		(836,764)	(1,004,217)
Gross profit		633,202	108,010
Administrative expenses		(540,079)	(362,609)
Operating profit/(loss)		93,123	(254,599)
Interest payable and similar expenses		(40,814)	(15,856)
Amounts written off	9	(337,347)	-
Fair value gains and losses on investment properties	7	222,429	355,898
(Loss)/profit before taxation		(62,609)	85,443
Tax on (loss)/profit	4	(86,290)	(21,750)
(Loss)/profit for the financial period		(148,899)	63,693

V22 LONDON LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2019

	18 months ended 30 June 2019 £	Year ended 31 December 2017 £
(Loss)/profit for the period	(148,899)	63,693
Other comprehensive income	-	-
Total comprehensive income for the period	<u>(148,899)</u>	<u>63,693</u>

V22 LONDON LIMITED

BALANCE SHEET

AS AT 30 JUNE 2019

	Notes	2019 £	£	2017 £	£
Fixed assets					
Tangible assets	6		145,628		220,746
Investment properties	7		1,660,000		1,415,000
Investments	8		-		700
			<u>1,805,628</u>		<u>1,636,446</u>
Current assets					
Debtors	10	136,362		241,738	
Cash at bank and in hand		5,337		9,898	
		<u>141,699</u>		<u>251,636</u>	
Creditors: amounts falling due within one year	11	(950,959)		(795,169)	
Net current liabilities			<u>(809,260)</u>		<u>(543,533)</u>
Total assets less current liabilities			<u>996,368</u>		<u>1,092,913</u>
Creditors: amounts falling due after more than one year	12		(573,719)		(607,655)
Provisions for liabilities			<u>(216,371)</u>		<u>(130,081)</u>
Net assets			<u><u>206,278</u></u>		<u><u>355,177</u></u>
Capital and reserves					
Called up share capital	13		100		100
Profit and loss reserves			206,178		355,077
Total equity			<u><u>206,278</u></u>		<u><u>355,177</u></u>

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

The financial statements were approved by the board of directors and authorised for issue on 18 December 2020 and are signed on its behalf by:



K Cranswick
Director

Company Registration No. 05695345

V22 LONDON LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2019

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2017	100	291,384	291,484
Year ended 31 December 2017:			
Profit and total comprehensive income for the year	-	63,693	63,693
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	100	355,077	355,177
Period ended 30 June 2019:			
Loss and total comprehensive income for the period	-	(148,899)	(148,899)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2019	100	206,178	206,278
	<hr/>	<hr/>	<hr/>

Included in the profit and loss reserves are undistributable reserves (net of deferred tax) amounting to £893,547 (2017: £751,530).

V22 LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

1 Accounting policies

Company information

V22 London Limited is a private company limited by shares incorporated in England and Wales. The registered office is 10-16 Ashwin Street, London, E8 3DL.

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 disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 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

COVID-19 has impacted the ability of our tenants to pay their rent. We have worked closely with them throughout this time to ensure that no one loses their space and that arrears do not mount up. Many of the more public-facing activities in our studio buildings have had to cease, but the core workspace offering has been able to continue in line with government regulations and the most up to date advice on safety in the workplace.

At the reporting date, the net current liabilities exceeded the net current assets by £809,260 (2017: £543,533).

The company applied for assistance from the Creative Workspace Resilience Fund, created by the Creative Land Trust, in April 2020 and was able to receive support in July 2020. The purpose of this support was to provide hardship grants to creative tenants to help them afford space to work during and after the crisis.

We have also received support from the government scheme in 2020 including the Furlough scheme and deferral of vat liability with HMRC to help mitigate costs of the business.

The directors reviewed and assessed cash flows including expenditure plans, and for the potential impact of uncertainties including Brexit and the COVID-19 pandemic. The directors also considered the company's financing facilities and future funding plans. Based on this, we confirmed that the application of the going concern basis for the preparation of the financial statements continued to be appropriate.

1.3 Reporting period

The accounting period end was extended from 31 December 2018 to 30 June 2019. These financial statements are for an 18 month period.

1.4 Turnover

Turnover mainly consists of rent receivable, net of VAT by letting the studios on hire.

V22 LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

The company recognises revenue when the amount of revenue can be measured reliably, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the company's activities noted below.

Rental income:

Rental income from the letting of studios under license/lease is recognised on a straight-line basis over the term of the hire period.

Project management services:

The company provides management services which are recognised by reference to the agreed contracts sums and stage of completion.

Hire of art:

The company hires items of art from the V22 Limited collection. Income is recognised on a straight-line basis over the term of the hire period.

Sale of goods:

The company recognised revenue from the sale of goods upon delivery and the passing of legal title.

1.5 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:

Leasehold land and buildings	Over the period of lease
Fixtures and fittings	33% on cost
Motor vehicles	33% on cost

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.

1.6 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. Changes in fair value are recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.7 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.

V22 LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

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.

1.8 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.

1.9 Cash and cash equivalents

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.

1.10 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.

V22 LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

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.

1.11 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.

1.12 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.

V22 LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

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.

1.13 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.

1.14 Retirement benefits

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

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.

We have exercised judgement in evaluating the impact of COVID-19 on the financial statements.

V22 LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2019

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

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

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Valuation of properties

Investment properties are valued annually at fair value. Fair value is ascertained through review of a number of factors and information flows, including market knowledge, recent market movements, recent sales of similar properties, historical experience and rent levels and flows of cash for the respective investment property. There is an inevitable degree of judgement involved and value can only be reliably tested ultimately in the market itself. Given the property market knowledge, valuation was carried out by external independent.

3 Employees

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

	2019 Number	2017 Number
Total	8	10

4 Taxation

	2019 £	2017 £
Deferred tax		
Origination and reversal of timing differences	86,290	21,750

V22 LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2019

4 Taxation

(Continued)

The actual charge for the period can be reconciled to the expected (credit)/charge for the period based on the profit or loss and the standard rate of tax as follows:

	2019 £	2017 £
(Loss)/profit before taxation	(62,609)	85,443
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)	(11,896)	16,234
Tax effect of expenses that are not deductible in determining taxable profit	64,945	3,161
Tax effect of income not taxable in determining taxable profit	(42,261)	(67,621)
Tax effect of utilisation of tax losses not previously recognised	(32,715)	(2,603)
Unutilised tax losses carried forward	7,754	46,767
Depreciation on assets not qualifying for tax allowances	14,173	4,062
Deferred Tax	86,290	21,750
Taxation charge for the period	86,290	21,750

5 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2019 £	2017 £
In respect of:			
Leasehold land and buildings	6	30,634	-
Fixed asset investments	8	700	-

The impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account.

V22 LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2019

6 Tangible fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2018 and 30 June 2019	293,126	10,166	6,997	310,289
Depreciation and impairment				
At 1 January 2018	74,112	9,062	6,369	89,543
Depreciation charged in the period	43,226	744	514	44,484
Impairment losses	30,634	-	-	30,634
At 30 June 2019	147,972	9,806	6,883	164,661
Carrying amount				
At 30 June 2019	145,154	360	114	145,628
At 31 December 2017	219,014	1,104	628	220,746

More information on impairment movements in the period is given in note 5.

7 Investment property

	2019 £
Fair value	
At 1 January 2018	1,415,000
Additions	22,571
Revaluations	222,429
At 30 June 2019	1,660,000

Investment property comprises Louise House and Orpington Priory. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 30th August 2019 by Lambert Smith Hampton Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The valuation as at August 2019 is considered a reflection of the fair value of the investment property at the period ended 30 June 2019.

The directors consider that these valuations remain appropriate as at 30 June 2019.

8 Fixed asset investments

	2019 £	2017 £
Shares in group undertakings and participating interests	-	700

V22 LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2019

8 Fixed asset investments

(Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2018	700
Impairment	(700)
	<hr/>
At 30 June 2019	-
	<hr/>
Carrying amount	
At 30 June 2019	-
	<hr/>
At 31 December 2017	700
	<hr/>

9 Subsidiaries

Details of the company's subsidiaries at 30 June 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
V22 Silvertown Studios Limited	United Kingdom	Provision of studio lets to the London art market.	Ordinary	66.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
V22 Silvertown Studios Limited	(3,007)	(4,007)

Subsequent to the period end, the company's shareholding in V22 Silvertown Studios Limited reduced from 66% to 33% as the entity issued new shares on 11 May 2020.

The amount receivable from V22 Silvertown Studios Limited of £336,647 was written off during the period as the company is unable to repay the funds. The subsidiary undertook a project which was not commercially successful and has impacted its ability to continue as a going concern.

V22 LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2019

10 Debtors

	2019	2017
	£	£
Amounts falling due within one year:		
Trade debtors	18,253	26,529
Amounts owed by group undertakings	-	122,500
Other debtors	47,348	42,695
Prepayments and accrued income	70,761	50,014
	<u>136,362</u>	<u>241,738</u>

11 Creditors: amounts falling due within one year

	2019	2017
	£	£
Bank loans	23,234	22,860
Trade creditors	345,404	87,328
Amounts owed to group undertakings	272,579	150,625
Taxation and social security	26,961	9,262
Other creditors	110,411	210,940
Accruals and deferred income	172,370	314,154
	<u>950,959</u>	<u>795,169</u>

12 Creditors: amounts falling due after more than one year

	2019	2017
	£	£
Bank loans and overdrafts	344,097	377,301
Other creditors	229,622	230,354
	<u>573,719</u>	<u>607,655</u>

The bank loan is secured by the following:

- a fixed and floating charge over the assets of the company
- Charge held over Louise House, Dartmouth Road, Forest Hill, London

The company acquired an artist's loan in December 2015 secured by artworks with a market value of £56,550 as at June 2019 belonging to the parent company, V22 Ltd (previously known as V22 Plc).

13 Called up share capital

	2019	2017
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

V22 LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2019

14 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2019	2017
£	£
1,590,722	4,160,004

15 Related party transactions

The company benefits from a funding loan from its parent company V22 Ltd (previously known as V22 Plc) which at the period end amounted to £266,990 (2017: £172,777). The loan is unsecured, repayable on demand and is non interest bearing.

V22 Ltd (previously known as V22 Plc) has provided security on a loan to a third party comprising artworks with a primary market value of £56,550 (2017: £75,000). The amount of the secured loan outstanding at the period end amounts to £18,781 (£36,264).

It also acts as a rent guarantor for one of the company's premises. The total rent commitment at the balance sheet date to the end of the term (September 2025) amounts to £987,711 (2017: £1,239,165).

Included within debtors due within one year:

- Receivable from V22 Foundation amounting to £42,991 (2017: £5,367), related by virtue of common directorship.
- Receivable from V22 Silvertown Studios Limited amounting to £Nil (2017: £122,500), an associate of the company.

16 Parent company

V22 Ltd (previously known as V22 Plc) incorporated in Isle of Man holds 100% share capital of the company.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by V22 Ltd (previously known as V22 Plc), the immediate parent. Its registered office is located at Victoria House, 26 Victoria Street, Douglas, Isle of Man, IM1 2LE.

17 Post balance sheet events

Subsequent to the balance sheet date, the UK's economic outlook has deteriorated as a consequence of the COVID-19 pandemic and the measures taken by the government to control the spread of the virus. The company has continued to operate successfully throughout this period. The directors continue to monitor the World Health Organisation, Department of Health and other government websites and are continuously monitoring the situation to identify any potential disruption of service. The Company will implement all necessary and prudent measures to ensure the health and safety of its employees while minimising any disruption of services.

V22 LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2019

18 Contingent liability

Approaching the period ended 30 June 2019, a director was in dispute with the company in regards to unpaid invoices and expense claims amounting to £44,241.90 to be recovered from the subsidiary of V22 London Ltd, V22 Silvertown Studios Limited as the company was the implicit guarantor for the costs incurred by the subsidiary. The director resigned after the balance sheet date and initiated legal proceedings against the company on 19 December 2019. The case is currently ongoing and the likelihood of the liability maturing cannot be estimated.

The directors are of the opinion that the likelihood of the claim maturing is remote and the quantum cannot be estimated.