

TY Properties (UK) Limited

Company Registration Number 07155378

Directors' Report and Unaudited Consolidated Financial Statements

For the year ended 30 June 2023



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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COMPANY INFORMATION

FOR THE YEAR ENDED 30 JUNE 2023

Company registration number **07155378**

The board of directors **H Gentles**
 S Foster
 T Danjuma

Company secretary **Petershill Secretaries Limited**

Registered office **1st Floor, Two Furlongs**
 Portsmouth Road
 Esher
 Surrey
 KT10 9AA

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors have pleasure in presenting their Strategic report and the consolidated financial statements of TY Properties (UK) Limited ("the Company") and its subsidiaries (together "the Group") for the year ended 30 June 2023.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Company is to act as an agent for property investment companies and to make investments in the property market.

TY Properties' (TYP) investment in properties is a long-term strategy. One of TYP's key strengths is the strategic location and unique features of its commercial and residential properties. These properties are situated in prime locations, which positioning TYP well for their future growth and income potential. While it is true that the UK commercial property market experienced a slowdown during this period, we want to emphasize the positive prospects that lie ahead for TYP.

The slowdown in the commercial property market can be attributed to various external factors, including rising interest rates, high inflation, and economic uncertainty. These challenges have, understandably, led to a reduction in demand for properties, causing decline investment volumes. Nonetheless, the enduring appeal of TYP assets is undeniable, and as market conditions stabilise, their value is likely to appreciate significantly.

In conclusion, while the past year presented challenges for the UK property market, the directors view these challenges as opportunities for growth and expansion. TYP remains committed to its long-term investment strategy, confident that the market will rebound. Our prime location and unique property features, combined with steady rental income, place us in an excellent position to capitalize on the market's recovery.

As of July 2023, TYP has made significant developments in its property acquisitions, purchasing 8 apartments in Manchester (UK) with a total purchase price of £2,317,000. These developments reflect TYP's commitment to expanding its property portfolio.

INVESTMENT PROPERTY PORTFOLIO

The fair value of the property investments held was £41,301,000 at 30 June 2023. The investment property portfolio comprises of three commercial properties, which consist of 18 units, 38 residential properties that are leased for rental income and a Hotel in Hampton Court (Kings Arms Hotel). The investment properties are periodically revalued to fair value, using a range of techniques, including comparison to similar properties and obtaining an external valuation.

RESULTS AND DIVIDENDS

The results for the year are set out in the consolidated Statement of Comprehensive Income on page 7. The directors do not recommend a payment of a dividend for the year (2022- £nil).

KEY PERFORMANCE INDICATORS AND FUTURE PROSPECTS

In 2023, the Group recorded a net loss of £1,942,000. The main reasons for this year's loss in comparison to the 2022 gain of £3,156,000 million was due to foreign exchange losses and the overall decrease on the fair value of investment property portfolio.

As at 30 June 2023, the Group managed properties totalling £41,301,000. Total consolidated administration costs for the year were £1,610,000 (2022 - £2,081,000). Administrative cost represents 3.9% of the portfolio managed in 2023. The directors consider total property portfolio, revenue, administrative expenses, comprehensive income and the ratio of administrative expenses to assets under management, as key indicators of performance. The Group cash flow remains positive and is expected to continue to be positive for the foreseeable future.

PRINCIPLE RISKS AND CERTAINTIES

The Group's financial instruments comprise of cash and cash equivalents and various receivables and payables that arise directly from its operations. The Group did not enter into derivative transactions. Risk areas, which affect the business operations, are:

Market risk

The Group is exposed to market risk arising from its financial assets, which are comprised of cash and cash equivalents and other receivables, and from its property investments. Market risk is mitigated as the assets under management are invested in a conservative manner with a view to protecting capital with limited risk exposure. Directors assess the value of these investments on a regular basis and consider potential impairments.

Credit risk

The exposure arises from the risk that a client will be unable or unwilling to meet a commitment that it has entered into with the Group. In the event of a default by a client, the Company might suffer a cash shortfall and might not be able to meet its obligations with its creditors. The Board monitors the level of credit granted to each client on a regular basis.

Interest rate risk

Interest rate risk represents the potential impact of adverse movements in interest rates on planned cash flows of the Group.

The Group has minimal outstanding debt other than its mortgage with FBN (UK) Plc, Standard Chartered Private Bank, shareholder loan and trade creditors. Neither the shareholder loan nor trade creditors bear interest. The long term mortgage with FBN (UK) Plc bears interest at 4.75% and with Standard Chartered Private Bank at 7.59%. The Board believes that the risk of interest rate movements is mitigated in that the long-term loan balance is relatively small compared to the level of assets held.

Interest income is not a major driver for the firm's economic success.

Liquidity risk

This is the risk that the Group, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due, or can secure such resources but only at excessive cost. It includes the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

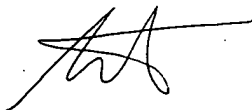
At 30 June 2023, the Group held property financing loans totalling £11,753,000 (2022 - £11,927,000). These loans represent financing lines secured against the Group's property assets and bear interest at variable rates. Accordingly, interest expenses are exposed to rate changes. During the year ended 30 June 2023, interest expense totalled £649,000 (2022 - £334,000).

Management of liquidity risk is achieved by monitoring actual and forecasted cash flows and interest rates.

Operational risk

Management is responsible for operational risk controls. Where appropriate risk and control maps have been prepared which are captured on an on-line system. The Board receives reports from management regarding matters giving cause for concern and ensures that appropriate remedial action is taken. The Executive Management Team is responsible for assessing the impact of material issues and errors, in order to ensure that appropriate risk mitigation is undertaken on a timely basis.

The management of investment risk is a core activity of the Group. The Group's Investment Management Process and Guidelines framework provides review and challenge of investment risk across each of the asset classes managed by the Group.



S Foster, FCA Chartered MCSI
Director
Date: 21/11/2023

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

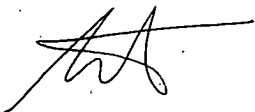
The directors have pleasure in presenting their report together with the Group strategic report and the consolidated financial statements of TY Properties (UK) Limited ("the Company") and its subsidiaries ("the Group") for the year ended 30 June 2023.

DIRECTORS

The directors who served the Company during the year are as follows:

- ✓ H Gentles
- ✓ S Foster
- ✓ T Danjuma

The directors had no material interest in any contract of significance in relation to the business of the Company.



S Foster, FCA Chartered MCS1
Director

Date: 21/11/2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with applicable law and UK-Adopted International Accounting Standards ('UK-adopted IAS').

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 Group and parent Company and of their profit or loss for that period. In preparing each of the group and parent company's financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it is inappropriate to do so and the Group or parent Company either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £000's	2022 £000's
REVENUE	3	2,353	2,156
OTHER INCOME		16	152
(DEFICIT)/GAIN ON FAIR VALUE OF INVESTMENT PROPERTY	7	(1,684)	2,133
ADMINISTRATIVE EXPENSES	4	(1,610)	(2,081)
OPERATING (LOSS)/PROFIT		(925)	2,360
FINANCING COST		(649)	(334)
(LOSS)/PROFIT BEFORE TAX		(1,574)	2,026
TAXATION	5	-	-
(LOSS)/PROFIT AFTER TAXATION		(1,574)	2,026
(LOSS)/GAIN ON FOREIGN EXCHANGE		(368)	1,130
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		(1,942)	3,156

The above result arose entirely from continuing operations.

There are no recognised gains and losses in the period other than those items recorded in the Statement of comprehensive income above.

The notes on pages 16 to 32 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	2023 £000's	2022 £000's
NON CURRENT ASSETS			
Property Plant and Equipment	15	26	66
Investment property	7	41,301	43,000
Asset available for sale		-	-
CURRENT ASSETS			
Trade and other receivables	12	1,651	1,113
Development property		-	-
Cash and cash equivalents		2,755	2,045
Shareholder loan	14	2,944	4,600
TOTAL ASSETS		48,677	50,824
EQUITY			
ISSUED CAPITAL AND RESERVES			
Issued share capital	13	28,000	28,000
Contributed capital		5,049	5,049
Retained earnings and other reserves		3,327	5,269
TOTAL EQUITY		36,376	38,318
NON CURRENT LIABILITIES			
Long Term Secured bank loan	16	11,608	11,563
CURRENT LIABILITIES			
Current Interest-bearing loan	16	145	364
Trade and other payables	12	548	579
Shareholder loan	14	-	-
TOTAL EQUITY AND LIABILITIES		48,677	50,824

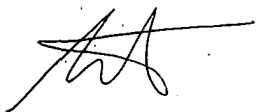
The notes on pages 16 to 32 are an integral part of these financial statements.

For the year ended 30 June 2023, the group was entitled to exemption from audit under section 477 of the Companies Act 2006. Members have not required the group to obtain an audit in accordance with section 476 of the Companies Act 2006.

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

The notes on pages 16 to 32 are an integral part of these financial statements.

Approved by the Board on 21/11/2023 and signed on its behalf by



S Foster, FCA Chartered MCS1
Director

Date: 21/11/2023

Company Registration Number 07155378

COMPANY'S STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	2023 £000's	2022 £000's
NON CURRENT ASSETS			
Property Plant and Equipment	15	26	66
Investment property	7	31,576	33,292
Investment in Subsidiary	10	5,477	5,477
CURRENT ASSETS			
Loans to related parties	11	497	397
Trade and other receivables	12	1,195	742
Shareholders Loan	14	2,944	4,600
Cash and cash equivalents		2,258	1,714
TOTAL ASSETS		43,973	46,288
EQUITY			
ISSUED CAPITAL AND RESERVES			
Issued share capital	13	28,000	28,000
Contributed capital		5,260	5,260
Retained earnings and other reserves		(3,039)	(904)
TOTAL EQUITY		30,221	32,356
LIABILITIES			
NON CURRENT LIABILITIES			
Long Term Interest-bearing loan	16	11,608	11,563
CURRENT LIABILITIES			
Current Interest-bearing loan	16	145	364
Trade and other payables	12	496	502
Shareholders Loan	14	-	-
Loans from related parties	11	1,503	1,503
TOTAL EQUITY AND LIABILITIES		43,973	46,288

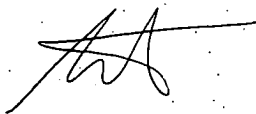
For the year ended 30 June 2023, the company was entitled to exemption from audit under section 477 of the Companies Act 2006. Members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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

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

The notes on pages 16 to 32 are an integral part of these financial statements.

Approved by the Board on 21/11/2023 and signed on its behalf by



S. Foster, FCA Chartered MCSI
Director

Date: 21/11/2023

Company Registration Number 7155378

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

YEAR ENDED 30 JUNE 2023	Issued Capital £000's	Contributed Capital £000's	Retained Earnings £000's	Other Reserves £000's	Total Equity £000's
Balance as at 1 July 2022	28,000	5,049	2,429	2,840	38,318
Issue of Share Capital	-	-	-	-	-
Contribution of Capital	-	-	-	-	-
Income for the year	-	-	(1,574)	-	(1,574)
Other comprehensive income, net of tax	-	-	-	(368)	(368)
Balance as at 30 June 2023	28,000	5,049	855	2,472	36,376

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2022	Issued Capital £000's	Contributed Capital £000's	Retained Earnings £000's	Other Reserves £000's	Total Equity £000's
Balance as at 1 July 2021	28,000	5,049	403	1,710	35,162
Issue of Share Capital	-	-	-	-	-
Contribution of Capital	-	-	-	-	-
Income for the year	-	-	2,026	-	2,026
Other comprehensive income, net of tax	-	-	-	1,130	1,130
Balance as at 30 June 2022	28,000	5,049	2,429	2,840	38,318

The notes on pages 16 to 32 are an integral part of these financial statements.

COMPANY'S STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

YEAR ENDED 30 JUNE 2023	Issued Capital £000's	Contributed Capital £000's	Retained Earnings £000's	Total Equity £000's
Balance as at 1 July 2022	28,000	5,260	(904)	32,356
Issue of Share Capital	-	-	-	-
Contribution of Capital	-	-	-	-
Income for the year	-	-	(2,135)	(2,135)
Other comprehensive income, net of tax	-	-	-	-
Balance as at 30 June 2023	28,000	5,260	(3,039)	30,221

COMPANY'S STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2022	Issued Capital £000's	Contributed Capital £000's	Retained Earnings £000's	Total Equity £000's
Balance as at 1 July 2021	28,000	5,260	(979)	32,281
Issue of Share Capital	-	-	-	-
Contribution of Capital	-	-	-	-
Income for the year	-	-	80	80
Other comprehensive income, net of tax	-	-	(5)	(5)
Balance as at 30 June 2022	28,000	5,260	(904)	32,356

The notes on pages 16 to 32 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	2023 £000's	2022 £000's
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(1,574)	2,026
ADJUSTMENTS FOR:		
Less other income	(16)	(152)
Income tax paid	-	-
Foreign exchange loss on translation	360	(987)
Depreciation	41	54
Finance costs	649	334
Decrease/(Increase) in trade and other receivables	1,117	(814)
Investment property loss (gain)	1,684	(2,133)
Asset available for sale	-	-
(Decrease)/Increase in trade and other payables	(31)	(21)
Net cash flows from operating activities	2,230	(1,693)
CASH FLOWS FROM INVESTING ACTIVITIES		
Other Income	16	152
Proceeds from disposal of investment property	-	1,054
Acquisition of investment property	(345)	(4,126)
Capitalised development property	-	2,157
Acquisition of property, plant and equipment	-	-
Net cash from/(used in) investing activities	(329)	(763)
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance costs	(649)	(334)
Mortgage financing	(174)	(205)
Shareholder's loan receipt/(repayment)	-	-
Net cash flows from/(used in) financing activities	(823)	(539)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,078	(2,995)
Effect of exchange rate fluctuations	(368)	1,130
Cash and cash equivalents at 1 July 2022	2,045	3,910
CASH AND CASH EQUIVALENTS AS AT 30 JUNE 2023	2,755	2,045

The notes on pages 16 to 32 are an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	2023 £000's	2022 £000's
CASH FLOWS FROM OPERATING ACTIVITIES		
Gain/(Loss) before tax	(2,135)	80
ADJUSTMENTS FOR:		
Investment property loss (gain)	2,061	(325)
Finance costs	649	334
Depreciation	41	54
Decrease/(Increase) in trade and other receivables	1,103	1,865
(Decrease)/Increase in trade and other payables	(6)	(202)
Net cash flows from operating activities	1,713	1,806
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment property	(346)	(3,254)
Purchase of fixtures, fittings & equipment	-	-
Loss on TY Dev investment	-	100
Net cash from/(used in) investing activities	(346)	(3,154)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(649)	(334)
Mortgage financing	(174)	(205)
Shareholder's loan receipt/(repayment)	-	-
Net cash flows from/(used in) financing activities	(823)	(539)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	544	(1,887)
Effect of exchange rate fluctuations	-	(5)
Cash and cash equivalents at 1 July 2022	1,714	3,606
CASH AND CASH EQUIVALENTS AS AT 30 JUNE 2023	2,258	1,714

The notes on pages 16 to 32 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1. GENERAL INFORMATION

Reporting Entity

TY Properties (UK) Limited ("the Company") was incorporated on 12 February 2010. The Company is a private company limited by shares registered in England and Wales. The registered address of the Company is given on page 1. The Company is a wholly owned subsidiary of TY Danjuma Family Office Limited.

The consolidated financial statements of the Group (the Company and its subsidiaries) for the year ended 30 June 2022 comprise the Company and its subsidiaries (collectively the 'Group' and individually the 'Group entities').

Consideration of the Company's ability to continue as a Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the Group and Company will continue to be profitable and be able to fund any operational expenses.

As at 30 June 2023, the Group had £48,677,000 (2022 - £50,824,000 million) total assets including a cash balance of £2,755,000 (2022 - £2,045,000). Given the size of the Group's assets and the expected long-term self-sustaining operations, the Directors are of the opinion that the Group is sufficiently funded to sustain operations on a going concern basis in the long term.

Basis of measurement

Both the parent Company financial statements and the Group financial statements have been prepared by the directors and the financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. On publishing the parent company financial statements here together with the group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its own profit or loss in these financial statements.

The preparation of the financial statements in conformity with applicable law and UK-adopted IAS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amount of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The significant amounts that require judgements and estimates are investment and development property. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in the period of revision and future periods if the revision affects both current and future periods.

Statement of Compliance

The consolidated financial statements have been prepared in accordance with applicable law and UK-adopted IAS.

General information (continued)

Standards issued but not yet effective

In the current year, the following amendments have been made to IFRS Standards and Interpretations issued by the International Accounting Standards Board that are effective for an annual year that begins on or after 1 July 2022.

Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform

Amendments to IFRS 16 - Leases

Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

These amendments have had no material impact on the disclosures or on the amounts reported in these financial statements.

Certain new accounting standards and interpretations have been published that are not yet effective and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

2. PRINCIPAL ACCOUNTING POLICIES

In the process of applying the Group's accounting policies, management makes various judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements.

The following policies have been reflected throughout the year:

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings prepared for the year to 30 June 2023.

Subsidiaries are entities controlled by the Group. Control, as defined by IFRS 10, is achieved when the Group has all of the following:

- power over the relevant activities of the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to affect those returns through its power over the investee.

The Group is required to determine the degree of control or influence the Group exercises and the form of any control to ensure that the financial treatment is accurate.

Subsidiaries (as listed as a subsidiary undertaking in Note 9) are fully consolidated using the acquisition method from the date on which the Group effectively obtained control until the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated upon consolidation. Unrealised gains/losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Functional and presentational currency

The consolidated financial statements have been prepared on a historical costs basis unless otherwise specified and are presented in UK Pounds Sterling (GBP £), which is the Group's functional currency. All financial information presented in UK Pounds Sterling has been rounded to the nearest thousands, except where otherwise indicated.

Cash and cash equivalents

The Group considers cash and cash equivalents to be cash on hand and highly liquid investments with maturities of 90 days or less. At 30 June 2023 and 2022 cash and cash equivalents consists of cash at banks, time deposits of duration less than 90 days and money market funds.

Property, plant and equipment

Plant and equipment are initially recorded at cost and are depreciated at appropriate rates on a straight-line basis to write down the cost or valuation of assets to residual value over their estimated useful lives, making due allowance for obsolescence in addition to normal wear and tear. Subsequent expenditure on tangible fixed assets is capitalised to the extent that it provides an enhancement to the economic benefits of the asset above its previously assessed standard of performance. All other subsequent expenditure is charged to the profit and loss account as incurred.

Depreciation is provided on the basis that the estimated useful lives of assets.

Plant and equipment - 3 years

Investment property

Investment property is property held to earn rental income or capital appreciation or both, but not for sale in the ordinary course of business, and use in the production or supply of goods and services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any changes therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised as realised gain/loss in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Shareholder loans

Shareholder loans are measured at amortised cost using the effective interest method.

Revenue recognition

Rental income from the property investment business is recognised on an accrual basis based upon the underlying operating lease agreements. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Management fee income is calculated as a percentage of the rental income collected on behalf of clients and is recognised on an accrual basis.

Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Operating leases: the company as lessor

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

Income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Foreign currency translation

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve. When a foreign operation is disposed of, such that control is lost, the entire accumulated amount in the FCTR is recycled to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests.

3. REVENUE

	2023 £000's	2022 £000's
PROPERTY INCOME		
Commercial property rental income	1,744	1,076
Commercial property service income	223	162
Residential property rental income	386	918
Development Property sales income	-	-
TOTAL REVENUE	2,353	2,156

4. ADMINISTRATIVE EXPENSES

	2023 £000's	2022 £000's
Operating loss is stated after charging:		
Development property Costs	-	515
Property expenses	614	579
Professional fees	222	205
Auditor's remuneration	-	-
Administration fees	622	611
Fixed Asset Depreciation	41	54
Non- Recoverable VAT Costs	111	117
TOTAL	1,610	2,081

The administration fee expense includes £608,000 (2022 - £603,000) that was paid to the Company's immediate parent, TY Danjuma Family Office Limited.

5. TAXATION

	2023 £000's	2022 £000's
Current tax		
Current tax charge for the year	-	-
Taxation charge	-	-
Factors affecting tax charge for the year		
The tax charge is made up as follows:		
Gain (loss) for the year	(1,574)	2,026
Gain (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(299)	385
Effects of:		
Tax arising on timing differences	(34)	(34)
Tax losses not recognised for deferred tax	154	(22)
Tax on non-qualifying expenditure	179	(329)
Tax losses carried forward/(utilized)	-	-
Prior year taxation	-	-
Tax charge for the year	-	-

No deferred tax asset has been recognised in relation to tax losses of £1,714,000 (2022 - £1,794,000).

Factors that may affect future tax charges

With effect from 1 April 2023 the rate of corporation tax increased, tapering from 19% for businesses with profits of less than £50,000 to 25% for businesses with profits over £250,000.

6. PARTICULARS OF EMPLOYEES

The Company had no employees during the year.

Group	2023	2022
	Number	Number
The average number of executive directors was:		
Management & Administration	3	3
Directors' remuneration	£000's	£000's
TOTAL	-	-

No directors received remuneration and no directors received any benefit in kind. The remuneration for TYP directors is ancillary/immaterial to functions they perform for TYD-FO group.

7. INVESTMENT PROPERTY

Group	2023 £000's	2022 £000's
As at 1 July	43,000	36,808
Acquisitions	345	4,126
Additions	-	-
Disposal	-	(1,054)
Change in Fair Value Gain	(1,684)	2,133
Translation differences	(360)	987
Total	41,301	43,000
Reclassification	-	-
At 30 June	41,301	43,000

Company	2023 £000's	2022 £000's
As at 1 July	33,292	29,713
Acquisitions	345	3,254
Additions	-	-
Disposal	-	-
Change in Fair Value Gain	(2,061)	325
Translation differences	-	-
At 30 June	31,576	33,292
Reclassification	-	-
At 30 June	31,576	33,292

The investment property portfolio comprises of three commercial properties, which consist of 18 units, 38 residential properties that are leased for rental income and a Hotel in Hampton Court (Kings Arms Hotel). The investment properties are periodically fair valued by the directors using a range of techniques including; management judgement, comparison to similar properties and external valuation. Changes in fair value are reflected as gains and losses in profit or loss.

No interest is capitalised when determining the cost of the investment properties.

Investment properties are required to be analysed by level depending on the valuation method adopted, in accordance with IFRS13 Fair Value Measurement:

Level 1: valuation based on quoted market prices traded in active markets.

Level 2: valuation based on inputs other than quoted prices included within Level 1 that maximize the use of observable data either directly or from market prices or indirectly derived from market prices.

Level 3: where one or more inputs to valuation are not based upon observable market values.

The property portfolio consists of £16,116,000 of commercial properties valued using a Level 3 methodology and £25,187,000 of residential properties using a Level 3 methodology.

All of the Group's Properties were independently revalued on the basis of market value by professionally qualified surveyors. Property valuation estimates were externally made at the year end by Mann Smith and CBRE in the UK, and KL Appraisal Services, INC. in the US.

The Group's properties have been valued by the directors as at 30 June 2023 using the external valuation as a guideline. These valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors ("RICS") valuation professional standards. Such valuations are carried out at least annually.

The residential property valuations were made via reference to comparable similar sales in the neighbourhood for each residential asset.

The Commercial properties valuations were on the basis of the Fair Value in accordance with IFRS 13. We confirm that Fair Value as defined in IFRS 13 is effectively the same as Market Value.

8. LEASES AS LESSOR

The Group has no lease payments obligations. The Group leases out its investment property under operating leases. The future minimum lease receivable under non-cancellable leases are as follows:

Group	2023 £000's	2022 £000's
Less than one year	1,906	1,560
Between one and five years	2,434	2,711
More than five years	983	1,112
	<u>5,323</u>	<u>5,383</u>

Company	2023 £000's	2022 £000's
Less than one year	1,536	1,211
Between one and five years	2,434	2,711
More than five years	983	1,112
	<u>4,953</u>	<u>5,034</u>

The lease agreement between the Company and TY Danjuma Family Office Limited is included in leases of between one and five years.

9. INVESTMENT IN SUBSIDIARIES

Company	Shares in Subsidiaries 2023 £000's	Shares in Subsidiaries 2022 £000's
Cost at 1 July 2022	5,477	5,577
Additions	-	-
Impairments	-	(100)
Net Book Value at 30 June 2023	5,477	5,477

The Company's principal subsidiaries are as described in the table below:

List of Subsidiaries	Object	Domicile	Date of Incorporation / Acquisition	Percentage Held
TYD Alpine Inc. ("TYDA")	US Property Investment	USA	12-Oct-12	100%
TY Properties (Spain) Ltd	Spanish Property Investment (in liquidation process)	UK	06-Apr-17	100%

The registered office address for TYD Alpine Inc. is 149 South Barrington Avenue, Suite 724, Los Angeles, CA 90049, USA.

The registered office address for TY Properties Spain Limited is 1st Floor, Two Furlongs, Esher, Surrey, KT10 9AA.

10. LOANS TO/ (FROM) RELATED PARTIES

	Loans to/from Subsidiaries 2023 £000's	Loans to/from Subsidiaries 2022 £000's
Cost		
Loan provided from TYD Alpine	(1,503)	(1,503)
Loan provided to TY Ventures ltd	497	397
Net Book Value at 30 June	(1,006)	(1,106)

FINANCIAL RISK MANAGEMENT

The directors have recognised the following risks within the business:

Maturity analysis

	Group Gross 2023 £	Group Impairment 2023 £	Company Gross 2023 £	Company Impairment 2023 £
Trade & other receivables				
Trade debtors	90	-	90	-
Deposits (Property purchase)	575	-	575	-
Intercompany (TY Properties/TYV)	497	-	-	-
VAT (Receivable)	-	-	-	-
Prepaid Expenses	69	-	69	-
Other Debtors	420	-	461	-
Total	1,651		1,195	
Trade & other payables				
Trade debtors	194	-	194	-
VAT (Payable)	9	-	9	-
Deferred income	247	-	247	-
Accrued Expenses	46	-	46	-
Rent deposit	52	-	-	-
Total	548		496	

	Group Gross 2022 £	Group Impairment 2022 £	Company Gross 2022 £	Company Impairment 2022 £
Trade & other receivables				
Trade debtors	125	-	125	-
Deposits (Property purchase)	19	-	19	-
Intercompany (TY Properties/TYV)	397	-	-	-
VAT (Receivable)	(10)	-	(10)	-
Prepaid Expenses	53	-	53	-
Other Debtors	529	-	555	-
Total	1,113	-	742	-
Trade & other payables				
Trade debtors	208	-	208	-
VAT (Payable)	-	-	-	-
Deferred income	281	-	281	-
Accrued Expenses	13	-	13	-
Rent deposit	77	-	-	-
Total	579	-	502	-

There is no material difference between the carrying amounts of financial assets and liabilities at the balance sheet date and their fair values.

13. SHARE CAPITAL

	2023 £000's	2022 £000's
Issued, authorised and fully paid Ordinary share capital of £1 each	28,000	28,000
Share capital issued during the year	-	-
Share capital	28,000	28,000

All issued share capital is classified as equity. One ordinary share of £1 was issued at par on incorporation of the Company.

The Ordinary Shares have full rights in respect of voting and may be considered by the directors when considering dividends from time to time. The Ordinary Shares are non-redeemable, but shall entitle the holder to full participation in respect of equity and in the event of a winding up of the Company.

14. RELATED PARTY TRANSACTIONS

	Group 2023 £000's	Company 2023 £000's	Group 2022 £000's	Company 2022 £000's
Revenues				
TY Danjuma Family Office Ltd	160	160	149	149
Danjuma Collection Ltd	19	19	23	23
TY Hospitality Ltd	94	94	90	90
Total Revenues	273	273	262	262
Expenses				
TY Danjuma Family Office Administration Fees	608	608	603	603
Total Expenses	608	608	603	603
Trade and other receivables				
Other Debtors - TY Ventures (UK) Limited	497	497	397	397
Other Debtors - Danjuma Collection Ltd	-	-	190	190
	497	497	587	586
Loans to related parties				
Loan to TYD Alpine Inc.	-	(1,503)	-	(1,503)
Loan to TY Danjuma Family Office Ltd	2,944	2,944	4,600	4,600
	2,944	1,441	4,600	3,097
Total Trade and other receivables	3,441	1,938	5,187	3,683
Loan from parent				
TY Danjuma Family Office Ltd	-	-	-	-
Total loan from parent	-	-	-	-

The financial statements include the following transactions involving related parties:

The Company leases its basement and first floor office in Two Furlongs to its parent company, TY Danjuma Family Office Limited. TY Danjuma Family Office pays £99,630 rental and £ 60,497 in service charges to TY Properties.

TY Danjuma Family Office Limited provides administrative services to the Company and during the current financial year, the Company paid administration fees of £608,000 (2022 - £603,000). The basis of administration fees charged is 1.5% per annum of total property value and bank balances shown on the Company's Statement of financial position.

The Company has rented out one of its offices located at Two Furlongs to Danjuma Collection Limited for a fee of £15,984 in the year 2023 (as compared to £20,100 in 2022). However, starting from April 17, 2023, TYP reclaim possession of the unit and will maintain it as vacant going forward. Consequently, there will be no renewal of the lease agreement, and no further rental payments will be collected from Danjuma Collection.

Danjuma Collection Limited is an art investing and dealing company. As at 30 June 2023, TY Ventures held a 29.3% equity stake in Danjuma Collection Ltd and had board representation. The company's other shareholders include Theophilus Danjuma Jr. and Othello Holdings Ltd., a family trust set up for the benefit of the second-generation.

Included in the Company's trade receivables, £497,000 (2022 - £397,000) is due from TY Ventures (UK) Limited (TY Ventures). The principal activity of TY Ventures is investment in financial assets, securities and investment in unlisted companies. TY Ventures (UK) Limited and the Company are under common control of the parent company TY Danjuma Family Office Limited.

As at 30 June 2023, the Company owes TYD Alpine Inc., a wholly owned subsidiary, £1,503,000 (2022 - £1,503,000). This was due to the sales proceeds of the Alpine property located in Beverly Hills that was transferred to the Company.

During the 2023 financial year, the loan outstanding due from the parent company TY Danjuma Family Office Limited amounts to £2,944,000 (2022 - £4,600,000). This loan is repayable on demand and does not bear interest.

15. Property Plant and Equipment

Group	Land and Building	Fixtures & Fittings	Total
	2023 £000's	2023 £000's	2023 £000's
Cost			
As at 30 June, 2022	-	389	389
Additions	-	-	-
Disposals	-	-	-
Adjustment to Reconcile Fixed Asset Registry	-	(184)	(184)
AS AT 30 JUNE 2023	-	205	205
Depreciation			
As at 30 June, 2022	-	(323)	(323)
Charge for the year	-	(41)	(41)
Adjustment to Reconcile Fixed Asset Registry	-	185	185
AS AT 30 JUNE 2023	-	(179)	(179)
Revaluation reserves	-	-	-
NET BOOK VALUE			
At 30 June 2023	-	26	26
At 30 June 2022	-	26	66

Company	Land and Building	Fixtures & Fittings	Total
	2023 £000's	2023 £000's	2023 £000's
Cost			
As at 30 June, 2022	-	378	378
Additions	-	-	-
Disposals	-	-	-
Adjustment to Reconcile Fixed Asset Registry	-	(173)	(173)
AS AT 30 JUNE 2023	-	205	205
Depreciation			
As at 30 June, 2022	-	(312)	(312)
Charge for the year	-	(41)	(41)
Adjustment to Reconcile Fixed Asset Registry	-	174	174
AS AT 30 JUNE 2023	-	(179)	(179)
Revaluation reserves	-	-	-
NET BOOK VALUE			
At 30 June 2023	-	26	26
At 30 June 2022	-	66	66

16. Interest-bearing loan

Group	2023 £000's	2022 £000's
Non-current liabilities		
Secured bank loans	11,608	11,563
	11,608	11,563
Current liabilities		
Secured bank loans	145	364
	145	364
Total	11,753	11,927

Company	2023 £000's	2022 £000's
Non-current liabilities		
Secured bank loans	11,608	11,563
	11,608	11,563
Current liabilities		
Secured bank loans	145	364
	145	364
Total	11,753	11,927

The group has obtained loans from Standard Chartered Bank London (SCBL) and First Bank of Nigeria (FBN). The bank loans are secured over both the residential and commercial properties owned by the group. The table below shows the terms and repayment schedule.

	Initial loan £000's	Nominal interest rate	Terms	Year of maturity	Carrying amount 2023 £000's	Carrying amount 2022 £000's
FBN Plot 97	173	4.50%	15 Years	16/06/2026	43	56
FBN Plot 182	173	4.50%	15 Years	16/06/2026	43	56
FBN Two Furlongs	138	4.50%	15 Years	16/06/2026	-	38
FBN 1 Mill	1,000	4.50%	10 Years	14/07/2025	248	361
FBN 600K	600	0.5% above Bank's rate (5%)	5 Years	09/09/2022	-	600
FBN 400K	400	5%	5 Years	10/12/2027	400	400
SCBL	11,028	Variable-Current at 7.59%	5 Years	24/02/2026	10,419	10,415
SCBL	600	Variable-Current at 7.76%	5 Years	07/09/2027	600	-
Rounding for presentation					-	1
Total	14,111				11,753	11,927

17. ULTIMATE CONTROLLING PARTY

The Company's ultimate controlling party is TY Group Investments Limited (TYGI). TY Group Investments Limited (TYGI) is incorporated in British Virgin Islands and General Theophilus Yakubu Danjuma (Rtd.) controls 100% of its voting rights. The smallest group preparing consolidated financial statements, including the company, is TY Danjuma Family Office Ltd and the registered office is 1st Floor Two Furlongs, Esher, Surrey, KT10 9AA.

18. SUBSEQUENT EVENTS

As of July 2023, TYP has made significant developments in its property acquisitions:

TYP purchased 8 apartments in Manchester with a total purchase price of £2,316,849. Two apartments located in the Michigan Point development were successfully completed on 28/07/2023, amounting to £359,990. Additionally, three apartments were acquired on 31/07/2023 in the Manchester New Square development, totalling £1,059,109 in investment. On the same date, TYP also acquired three apartments in the High Definition development with a total cost of £897,750.

On 20/07/2023, General Theophilus Yakubu Danjuma (Rtd.) transferred his entire shareholdings in TY Group Investments Ltd to the second generation of Danjuma family members.