

Registration number: 01705939

Woodland Investment Management Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

Hodson and Co
Wiston House
1 Wiston Avenue
Worthing
West Sussex
BN14 7QL



Woodland Investment Management Limited

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Woodland Investment Management Limited

Company Information

Directors	A T Hanton R J Brien
Company secretary	B J Hanton
Registered office	19 Half Moon Lane London SE24 9JU
Auditors	Hodson and Co Wiston House 1 Wiston Avenue Worthing West Sussex BN14 7QL

Woodland Investment Management Limited

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activity

The principal activity of the company is forestry, woodland management and marketing of amenity woodland.

Fair review of the business

The results for the company show a profit after tax for the year of £12,939,644 (2020 £5,918,884) and turnover for the year of £16,693,011 (2020 £10,907,773).

The company's key financial and other performance indicators during the year were as follows:

Turnover £16,693,011 (2020 £10,907,773), increase 53% (2020 increase 22%)

Gross profit £8,877,163 (2020 £5,173,606)

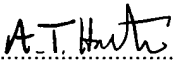
Profit before tax £16,073,120 (2020 £7,352,502)

Shareholders' funds £43,461,306 (2020 £30,521,662)

Principal risks and uncertainties

The company's activities are exposed to various financial and non-financial risks, primarily changes in market conditions and woodland availability to buy and resell. The directors recognise the impact of such risks and have pursued a policy of acquiring woodland which can be sub-divided and resold. This is regularly reviewed and monitored.

Approved and authorised by the Board on 16/12/21 and signed on its behalf by:



A T Hanton
Director

Woodland Investment Management Limited

Directors' Report for the Year Ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors of the company

The directors who held office during the year were as follows:

A T Hanton

R J Brien

Financial instruments

Objectives and policies

The company's principle financial instruments comprise bank balance, stock, trade creditors and trade debtors.

Price risk, credit risk, liquidity risk and cash flow risk

Due to the nature of the financial instruments used by the company there is little exposure to price risk. The company's approach to managing other risks applicable to the financial instrument concerned is shown below.

The company funds most of its operations through trading. The company manages the liquidity risk by ensuring that sufficient new investment is available to meet the ongoing requirements.

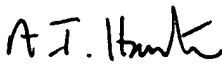
Trade debtors are managed in respect of credit and cashflow risks by regular monitoring of outstanding amounts for both time limits and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet the amounts due.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved and authorised by the Board on 16/12/22 and signed on its behalf by:



A T Hanton
Director

Woodland Investment Management Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Woodland Investment Management Limited

Independent Auditor's Report to the Members of Woodland Investment Management Limited

Qualified opinion

We have audited the financial statements of Woodland Investment Management Limited (the 'company') for the year ended 31 December 2021, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion on financial statements

The evidence available to us was limited because we were only appointed as auditors of the company on 8 August 2022 and have been unable to carry out auditing procedures necessary to obtain adequate assurance regarding the opening balances and comparative figures because the financial statements to 31 December 2020 were unaudited, in particular the opening inventory figure of £11,588,772. Any adjustments to the opening balances would have a consequential effect on the profit for the year. In addition, the amounts shown as corresponding amounts for the year ended 31 December 2020 may not be comparable with the figures of the current period and, were any adjustment to the opening inventory balance to be required, the strategic report would also need to be amended.

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 Auditors' 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 qualified opinion.

Comparative information in the financial statements is derived from the company's prior period financial statements which were not audited.

Woodland Investment Management Limited

Independent Auditor's Report to the Members of Woodland Investment Management Limited

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The 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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning opening balances and in particular the inventory quantities of £11,588,772 held at 31 December 2020. We have concluded that where the other information refers to the inventory balance or related balances such as cost of sales, it may be materially misstated for the same reason.

Basis for qualified opinion on other matter prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, in the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

In respect solely of the limitation on our work relating to opening balances:

- we have not received all the information and explanations we require for our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

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:

Woodland Investment Management Limited

Independent Auditor's Report to the Members of Woodland Investment Management Limited

- 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- We obtained an understanding of the legal and regulatory requirements applicable to the Company and considered that the most significant are the Companies Act 2006 and UK taxation legislation.
- We obtained an understanding of how the Company complies with these requirements by discussions with management and those charged with governance.
- We considered the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies, bonus levels and performance targets.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with the directors.
- We inquired of the directors as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and obtaining additional corroborative evidence as required.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: Revenue recognition and transactions with related parties. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation and claims;

Woodland Investment Management Limited

Independent Auditor's Report to the Members of Woodland Investment Management Limited

- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the identified revenue fraud risk: testing the revenue system software controls and vouching a sample of income to supporting documentation and remittances;
- In addressing the risk of fraud through related party transactions, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Context of the ability of the audit to detect fraud or breaches of law or regulation

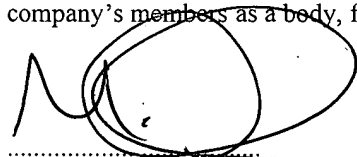
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect noncompliance with all laws and regulations. If a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Matthew Hodson BSc FCA (Senior Statutory Auditor)
For and on behalf of Hodson and Co, Statutory Auditor

Wiston House
1 Wiston Avenue
Worthing
West Sussex
BN14 7QL

Date: 16/12/2022

Woodland Investment Management Limited

Statement of Income and Retained Earnings for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	3	16,693,011	10,907,773
Cost of sales		<u>(7,815,848)</u>	<u>(5,734,167)</u>
Gross profit		8,877,163	5,173,606
Administrative expenses		<u>(170,853)</u>	<u>(271,512)</u>
Operating profit	6	<u>8,706,310</u>	<u>4,902,094</u>
Gain on financial assets at fair value through profit and loss		5,491,613	3,223,315
Income from other fixed asset investments		1,750,203	(865,794)
Other interest receivable and similar income	7	129,894	114,998
Interest payable and similar charges	8	<u>(4,900)</u>	<u>(22,111)</u>
		<u>7,366,810</u>	<u>2,450,408</u>
Profit before tax		16,073,120	7,352,502
Taxation	11	<u>(3,133,476)</u>	<u>(1,433,618)</u>
Profit for the financial year		12,939,644	5,918,884
Retained earnings brought forward		<u>25,377,236</u>	<u>22,069,237</u>
Retained earnings carried forward		<u><u>38,316,880</u></u>	<u><u>27,988,121</u></u>

The notes on pages 13 to 22 form an integral part of these financial statements.

Woodland Investment Management Limited

(Registration number: 01705939)

Statement of Financial Position as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	746,948	766,139
Investment property	13	2,017,765	-
Other financial assets	14	33,306,467	23,676,480
		<u>36,071,180</u>	<u>24,442,619</u>
Current assets			
Inventories	15	13,148,157	11,588,772
Debtors	16	95,688	33,168
Cash at bank and in hand		-	80,429
		<u>13,243,845</u>	<u>11,702,369</u>
Creditors: Amounts falling due within one year	18	<u>(3,442,465)</u>	<u>(4,559,021)</u>
Net current assets		<u>9,801,380</u>	<u>7,143,348</u>
Total assets less current liabilities		45,872,560	31,585,967
Creditors: Amounts falling due after more than one year	18	(34,167)	(40,000)
Provisions for liabilities	19	<u>(2,377,087)</u>	<u>(1,024,305)</u>
Net assets		<u>43,461,306</u>	<u>30,521,662</u>
Capital and reserves			
Called up share capital		11	11
Fair value reserve	21	9,508,345	5,144,415
Retained earnings	21	33,952,950	25,377,236
Shareholders' funds		<u>43,461,306</u>	<u>30,521,662</u>

Approved and authorised by the Board on 16/12/22 and signed on its behalf by:

A.T. Hanton
A T Hanton
Director

The notes on pages 13 to 22 form an integral part of these financial statements.

Woodland Investment Management Limited

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £	Fair value reserve £	Retained earnings £	Total £
At 1 January 2021	11	5,144,415	25,377,236	30,521,662
Profit for the year	-	-	12,939,644	12,939,644
Other comprehensive income	-	4,363,930	(4,363,930)	-
Total comprehensive income	-	4,363,930	8,575,714	12,939,644
At 31 December 2021	11	9,508,345	33,952,950	43,461,306
	Share capital £	Fair value reserve £	Retained earnings £	Total £
At 1 January 2020	11	2,533,530	22,069,237	24,602,778
Profit for the year	-	-	5,918,884	5,918,884
Other comprehensive income	-	2,610,885	(2,610,885)	-
Total comprehensive income	-	2,610,885	3,307,999	5,918,884
At 31 December 2020	11	5,144,415	25,377,236	30,521,662

The notes on pages 13 to 22 form an integral part of these financial statements.

Woodland Investment Management Limited

Statement of Cash Flows for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit for the year		12,939,644	5,918,884
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	19,191	19,224
Financial instrument net gains through profit and loss		(5,491,613)	(3,223,315)
Loss on disposal of tangible assets	5	-	166,346
Finance income	7	(129,894)	(114,998)
Finance costs	8	7,676	20,471
Income tax expense	11	3,133,476	1,433,618
		<u>10,478,480</u>	<u>4,220,230</u>
Working capital adjustments			
Increase in inventories	15	(1,559,385)	(1,707,131)
Increase in trade debtors	16	(62,519)	(1,113)
(Decrease)/increase in trade creditors	18	<u>(2,370,869)</u>	<u>901,650</u>
Cash generated from operations		6,485,707	3,413,636
Income taxes paid	11	<u>(965,023)</u>	<u>(859,037)</u>
Net cash flow from operating activities		<u>5,520,684</u>	<u>2,554,599</u>
Cash flows from investing activities			
Interest received	7	1,750,203	(865,794)
Proceeds from sale of tangible assets		-	80,000
Acquisition of investment properties		(2,542,765)	-
Proceeds from sale of investment properties		525,000	-
Dividend income	7	129,894	114,998
Acquisitions of financial instruments		(9,603,573)	(7,563,474)
Proceeds from sale of financial instruments		<u>3,714,996</u>	<u>4,369,798</u>
Net cash flows from investing activities		<u>(6,026,245)</u>	<u>(3,864,472)</u>
Cash flows from financing activities			
Interest paid	8	(7,676)	(20,471)
Proceeds from bank borrowing draw downs		<u>(5,833)</u>	<u>50,000</u>
Net cash flows from financing activities		<u>(13,509)</u>	<u>29,529</u>
Net decrease in cash and cash equivalents		(519,070)	(1,280,344)
Cash and cash equivalents at 1 January		<u>80,429</u>	<u>1,360,773</u>
Cash and cash equivalents at 31 December		<u><u>(438,641)</u></u>	<u><u>80,429</u></u>

The notes on pages 13 to 22 form an integral part of these financial statements.

Woodland Investment Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

19 Half Moon Lane

London

SE24 9JU

These financial statements were authorised for issue by the Board on 16/12/22

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

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. The directors have considered relevant information, including the future cash flows and the impact of subsequent events in making their assessment. The COVID-19 pandemic and the ensuing economic shutdown has not had a significant impact on the company's operations. Based on these assessments and having regard to the resources available, the directors have concluded that they can continue to adopt the going concern basis in the financial statements.

Woodland Investment Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Key sources of estimation uncertainty

The preparation of the financial statements necessarily requires the exercise of judgement, both in application of accounting policies and in the selection of assumptions used in the calculation of estimates. These estimates and judgements are reviewed on an ongoing basis and are continually evaluated based on historical experience and other factors. However, actual results may differ from these estimates.

Revaluation of investment properties:

Investment property valuations are reviewed annually using the fair value method. The fair value is determined by reference to the amounts likely to be received when leases are extended and a multiple of ground rents receivable.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Woodland Investment Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and building	over 50 years
Fixtures and fittings	25% reducing balance

Investment property

Investment property is measured initially at its cost, including related transaction and where applicable borrowing costs. After initial recognition, investment property is carried at fair value. Changes in fair value are recognised in profit or loss.

Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as at the financial position date by the directors who have recent experience in the location and category of the investment property being valued.

Investments

Listed investments are valued at fair value through the profit and loss account. Fair value is the closing bid or last traded price according to the recognised convention of the markets on which they are quoted.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Stocks comprise the holdings of woodlands and are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the statement of comprehensive income. Reversals of impairment losses are also recognised in the statement of comprehensive income.

Woodland Investment Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Financial instruments

Classification

The entity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

3 Turnover

The analysis of the company's revenue for the year from continuing operations is as follows:

	2021	2020
	£	£
Sale of goods	16,362,014	10,289,350
Rendering of services	297,431	582,757
Rental income from investment property	33,566	35,666
	<u>16,693,011</u>	<u>10,907,773</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

Woodland Investment Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

	2021 £	2020 £
5 Other gains and losses		
The analysis of the company's other gains and losses for the year is as follows:		
	2021 £	2020 £
Gain/loss on disposal of property, plant and equipment	-	(166,346)

6 Operating profit

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	19,190	19,224
Loss on disposal of property, plant and equipment	-	166,346

7 Other interest receivable and similar income

	2021 £	2020 £
Dividend income	129,894	114,998

8 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and borrowings	693	538
Interest expense on other finance liabilities	6,983	19,933
Foreign exchange gains/losses	(2,776)	1,640
	4,900	22,111

9 Staff costs

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Administration and support	2	2

10 Auditors' remuneration

Woodland Investment Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

	2021 £	2020 £
Audit of the financial statements	6,000	-
Other fees to auditors		
All other assurance services	5,700	-

11 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
Current taxation		
UK corporation tax	1,780,694	962,455
UK corporation tax adjustment to prior periods	-	63,667
	1,780,694	1,026,122
Deferred taxation		
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	1,352,782	407,496
Tax expense in the income statement	3,133,476	1,433,618

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2020 - the same as the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	16,073,120	7,352,502
Corporation tax at standard rate	3,053,893	1,396,975
Effect of revenues exempt from taxation	(1,375,945)	(612,429)
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	-	63,667
Tax increase (decrease) from effect of capital allowances and depreciation	3,646	199,759
Tax increase (decrease) from other short-term timing differences	1,352,782	407,496
Tax increase (decrease) from effect of dividends from UK companies	(24,680)	(21,850)
Other tax effects for reconciliation between accounting profit and tax expense (income)	123,780	-
Total tax charge	3,133,476	1,433,618

Woodland Investment Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

12 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 January 2021	954,445	7,204	961,649
At 31 December 2021	954,445	7,204	961,649
Depreciation			
At 1 January 2021	188,712	6,798	195,510
Charge for the year	19,089	102	19,191
At 31 December 2021	207,801	6,900	214,701
Carrying amount			
At 31 December 2021	746,644	304	746,948
At 31 December 2020	765,733	406	766,139

Included within the net book value of land and buildings above is £746,644 (2020 - £765,733) in respect of freehold land and buildings.

13 Investment properties

	2021 £
Additions	2,542,765
Disposals	(525,000)
At 31 December	2,017,765

The directors have valued the company's investment at the balance sheet date at their fair value.

On a historical cost basis, the investment properties would have been included at at cost of £2,017,765.

Woodland Investment Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

14 Investments

	Financial assets at fair value through profit and loss £	Total £
Non-current financial assets		
Cost or valuation		
At 1 January 2021	23,676,480	23,676,480
Fair value adjustments	5,491,613	5,491,613
Additions	9,603,573	9,603,573
Disposals	<u>(5,465,199)</u>	<u>(5,465,199)</u>
At 31 December 2021	<u>33,306,467</u>	<u>33,306,467</u>
Impairment		
Carrying amount		
At 31 December 2021	<u>33,306,467</u>	<u>33,306,467</u>

The company received £7,215,402 (2020 £2,638,209) from investments sold during the year. The book cost of these investments when they were purchased was £5,465,199 (2020 £3,504,003). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

15 Inventories

	2021 £	2020 £
Other inventories	<u>13,148,157</u>	<u>11,588,772</u>

16 Debtors

	2021 £	2020 £
Current		
Other debtors	<u>95,688</u>	<u>33,168</u>

17 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	-	80,429
Bank overdrafts	<u>(438,641)</u>	<u>-</u>
Cash and cash equivalents in statement of cash flows	<u>(438,641)</u>	<u>80,429</u>

Woodland Investment Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

18 Creditors

	Note	2021 £	2020 £
Due within one year			
Loans and borrowings	22	448,641	10,000
Amounts due to related parties	23	-	100
Other payables		1,200,000	3,574,000
Accrued expenses		13,131	9,900
Income tax liability	11	1,780,693	965,021
		<u>3,442,465</u>	<u>4,559,021</u>
Due after one year			
Loans and borrowings	22	<u>34,167</u>	<u>40,000</u>

19 Provisions for liabilities

	Deferred tax £	Total £
At 1 January 2021	1,024,305	1,024,305
Additional provisions	<u>1,352,782</u>	<u>1,352,782</u>
At 31 December 2021	<u>2,377,087</u>	<u>2,377,087</u>

20 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary of £1 each	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>

21 Reserves

Fair value reserve

The non-distributable fair value reserve shows separately the fair value gains, net of any deferred tax, arising on company investments which have passed through profit or loss in the income statement.

22 Loans and borrowings

	2021 £	2020 £
Non-current loans and borrowings		
Bank borrowings	<u>34,167</u>	<u>40,000</u>

Woodland Investment Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

	2021 £	2020 £
Current loans and borrowings		
Bank borrowings	10,000	10,000
Bank overdrafts	438,641	-
	<u>448,641</u>	<u>10,000</u>

23 Related party transactions

Summary of transactions with key management

During the year, Dulwich Storage Company Ltd loaned £1,000,000 (2020 £1,399,000) to the company. This amount is still outstanding as at the year end.

A T Hanton, the company's director is also a director in Dulwich Storage Company Ltd.

During the year, Giant Games Ltd (GGL) loaned £200,000 (2020 £2,175,000) to the company. GGL went into voluntary liquidation in September 2021 and this amount was still outstanding.

A T Hanton, the company's director is also a director and controlling shareholder in Giant Games Limited.

During the year, the company sold a property at a value of £525,000 to the son of A T Hanton, the company's director. This was sold at market value.