

Company registration number 02007265 (England and Wales)

TOWERSTATES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
PAGES FOR FILING WITH REGISTRAR

TOWERSTATES LIMITED

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TOWERSTATES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

		2023	2022
	Notes	£	£
Fixed assets			
Tangible assets	5	155,381	190,501
Investment properties	6	3,800,925	5,530,925
Investments	7	102	102
		<u>3,956,408</u>	<u>5,721,528</u>
Current assets			
Debtors	8	19,963,614	18,825,460
Cash at bank and in hand		265,476	15,402
		<u>20,229,090</u>	<u>18,840,862</u>
Creditors: amounts falling due within one year	9	<u>(13,641,799)</u>	<u>(13,950,741)</u>
Net current assets		<u>6,587,291</u>	<u>4,890,121</u>
Total assets less current liabilities		<u>10,543,699</u>	<u>10,611,649</u>
Provisions for liabilities		<u>-</u>	<u>(99,949)</u>
Net assets		<u>10,543,699</u>	<u>10,511,700</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss reserves	10	10,543,599	10,511,600
Total equity		<u>10,543,699</u>	<u>10,511,700</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 25 March 2024 and are signed on its behalf by:

Mr Berish Berger
Director

Mrs Pessie Berger
Director

Company Registration No. 02007265

TOWERSTATES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2021	100	9,813,916	9,814,016
Year ended 31 March 2022:			
Profit and total comprehensive income for the year	-	697,684	697,684
Balance at 31 March 2022	100	10,511,600	10,511,700
Year ended 31 March 2023:			
Profit and total comprehensive income for the year	-	31,999	31,999
Balance at 31 March 2023	100	10,543,599	10,543,699

TOWERSTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Towerstates Limited is a private company limited by shares incorporated in England and Wales. The registered office is New Burlington House, 1075 Finchley Road, London, NW11 0PU.

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 Turnover

Turnover is recognised at the fair value of the consideration receivable in respect of services provided in the normal course of business. The turnover of the company is represented by sale proceeds on the disposal of property held for trading purposes coupled with rents and charges receivable in respect of its investment property portfolio. Rental income is accounted for on an accruals basis with increases arising from rent reviews being taken into account when such reviews have been settled with tenants.

1.3 Tangible fixed assets

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

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

Plant and machinery	20% reducing balance basis
Fixtures, fittings & equipment	25% reducing balance basis

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.

1.4 Investment property

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.

1.5 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.

TOWERSTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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.

1.6 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.

1.7 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.

1.8 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 statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

TOWERSTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

1.9 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.

1.10 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 income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, 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.

TOWERSTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.11 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.

1.12 Foreign exchange

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

1.13 Acquisitions and disposals of property

Acquisitions and disposals of property are considered to have taken place at the date of legal completion and are included in the financial statements accordingly.

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.

3 Employees

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

	2023 Number	2022 Number
Total	2	-

4 Directors' remuneration

	2023 £	2022 £
Remuneration paid to directors	500,000	-

TOWERSTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2022	476,802
Additions	3,848
	<hr/>
At 31 March 2023	480,650
	<hr/>
Depreciation and impairment	
At 1 April 2022	286,301
Depreciation charged in the year	38,968
	<hr/>
At 31 March 2023	325,269
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Carrying amount	
At 31 March 2023	155,381
	<hr/>
At 31 March 2022	190,501
	<hr/>

6 Investment property

	2023 £
Fair value	
At 1 April 2022	5,530,925
Additions	70,000
Disposals	(1,800,000)
	<hr/>
At 31 March 2023	3,800,925
	<hr/>

Investment property comprises residential and commercial property. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31st March, 2023 by the Company's directors who are considered to have the experience and expertise required to undertake such an exercise. The valuation was made on an open market value basis.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2023 £	2022 £
Cost	3,801,272	4,887,673
Accumulated depreciation	-	-
	<hr/>	<hr/>
Carrying amount	3,801,272	4,887,673
	<hr/>	<hr/>

TOWERSTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Fixed asset investments

	2023 £	2022 £
Shares in group undertakings and participating interests	102	102

8 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	852,579	668,357
Amounts owed by group undertakings	2,434	2,434
Other debtors	19,108,601	18,154,669
	<u>19,963,614</u>	<u>18,825,460</u>

Other debtors includes £16,934,300 (2022: £15,944,368) owed by connected undertakings which are interest free and repayable on demand. These are companies of which the directors and their families are directors and/or shareholders.

9 Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	-	113,309
Trade creditors	574,413	576,337
Amounts owed to group undertakings	2	2
Corporation tax	71,396	-
Other taxation and social security	-	41,101
Other creditors	12,995,988	13,219,992
	<u>13,641,799</u>	<u>13,950,741</u>

Other creditors includes £11,817,795 (2022: £12,691,537) owed to connected undertakings which are interest free and repayable on demand. These are companies of which the directors and their families are directors and/or shareholders.

10 Profit and loss reserves

Of the profit and loss account reserves, £10,543,599 is distributable.

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

TOWERSTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Audit report information

(Continued)

Senior Statutory Auditor: Moshe Broner-Cohen
Statutory Auditor: Cohen Arnold

12 Directors' transactions

Interest bearing loans have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Loan advances	2.00	-	200,000	1,257	(1,257)	200,000
		-	200,000	1,257	(1,257)	200,000

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.