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FEDERATED INVESTMENTS LLP

REPORT AND FINANCIAL STATEMENTS

For the year ended  
31 December 2022

Limited Liability OC316759

FEDERATED INVESTMENTS LLP  
CONTENTS

For the year ended 31 December 2022

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FEDERATED INVESTMENTS LLP  
MEMBERS AND ADVISERS

For the year ended 31 December 2022

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MEMBERS AND ADVISERS

Members: Rutland Investments Limited  
Lord Borwick  
Federated Trust Corporation Limited  
Hon. T. Borwick

Registered office: 15 Great College Street  
London  
SW1P 3RX

Bankers: C Hoare & Co  
37 Fleet Street  
London  
EC4P 4DQ

Auditors: CLA Evelyn Partners Limited  
Chartered Accountants  
Statutory Auditor  
Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

FEDERATED INVESTMENTS LLP  
MEMBERS' REPORT

For the year ended 31 December 2022

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**MEMBERS' REPORT**

The Members present their annual report together with the audited financial statements of Federated Investments LLP (the "LLP") for the year ended 31 December 2022.

**Limited liability partnership's registered number**

The limited liability partnership's registered number is OC316759.

**Principal Activities**

The principal activity of the limited liability partnership continued to be that of an investment business.

**Review of business**

There was a profit for the year amounting to £636,783 (2021 – Loss of £147,655).

**Designated Members**

The following were Designated Members of the LLP throughout the period:

Lord Borwick

Federated Trust Corporation Limited

Hon. T Borwick

Rutland Investments Limited

**Members' drawings and the subscription and repayment of Members' capital**

During the year Members could receive monthly drawings representing payments on account of profits which may be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP and to the extent that they are not allocated, they may be reclaimed from Members until such time as profits have been allocated to them.

Some profits are allocated and divided between Members during the year. These are shown as Members' remuneration charged as an expense.

The remaining profits are determined, allocated and divided between Members after the finalisation of the accounts. Unallocated profits are included within 'Members' other interests'.

The capital requirements of the partnership are determined by the Management Committee and are reviewed regularly. Members are required to subscribe a proportion of this capital in line with the Members' Agreement. The amount of capital subscribed to each Member is linked to the relevant percentage as determined by the Members' Agreement. No interest is paid on capital. On leaving the partnership, a Member's capital is repaid within 12 months.

For the year ended 31 December 2022

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**Members' responsibilities statement in respect of the financial statements**

The Members are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, as applied to LLPs, the members 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 LLP and of the profit or loss of the LLP for that period.

In preparing these financial statements, the Members are required to:

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

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These responsibilities are exercised by the designated Members on behalf of the Members.

**Disclosure of information to the auditors**

Each of the persons who are members at the time when this Members' report is approved have confirmed that:

- so far as that member is aware there is no relevant audit information of which the LLP's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant information and to establish that the LLP's auditors are aware of that information.

FEDERATED INVESTMENTS LLP  
MEMBERS' REPORT

For the year ended 31 December 2022

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**Auditors**

CLA Evelyn Partners Limited (previously Nexia Smith & Williamson) have indicated their willingness to be reappointed and the Members have made appropriate arrangements for them to be deemed reappointed as auditors.

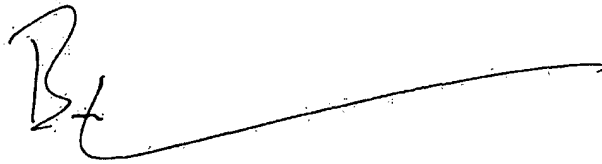
In preparing this report, the members have taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006.

**Approved by the Members and signed on their behalf**

Lord Borwick  
Designated Member

Date:

25/09/23

A handwritten signature in black ink, appearing to be 'Bt', followed by a long horizontal line extending to the right.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FEDERATED INVESTMENTS LLP

**Opinion**

We have audited the financial statements of Federated Investments LLP (the 'limited liability partnership') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Reconciliation of the Members' Interests and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2022 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 as applied to limited liability partnerships.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter – Recovery of receivable owed by subsidiary undertaking**

We draw attention to note 7 of the financial statements which describes the uncertainties regarding the recoverability of £4.5 million owed to the LLP by a subsidiary company which has made losses in recent years. The recovery of the balance is dependent on the future sale of land held by the subsidiary, which the timing of and proceeds are currently unknown. The financial statements do not reflect any provision that may be required if the £4.5 million receivable owed by the subsidiary cannot be recovered in full. Our opinion is not modified in respect of this matter.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the members' 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 limited liability partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Emphasis of matter – Reliance on financial support from the members**

We draw attention to the Going Concern accounting policy in note 1 in the financial statements which describes the LLP's reliance on the support of the members in relation to going concern. Our opinion is not modified in respect of this matter.

**Other information**

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the report and financial statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records or returns; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships regime.

### **Responsibilities of members**

As explained more fully in the members' responsibilities statement set out on page 4, the members 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 members 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 members are responsible for assessing the limited liability partnership'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 members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the limited liability partnership's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We also drew on our existing understanding of the limited liability partnership's industry and regulation.

We understand that the limited liability partnership complies with requirements of the framework through:

- Outsourcing accounts preparation and tax compliance to external experts;
- Making note of relevant updates from external experts, updating internal procedures and controls as necessary; and
- The members' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.

In the context of the audit, we considered those law and regulations which determine the form and content of the financial statements, which are central to the limited liability partnership's ability to conduct its business, and/or where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the limited liability partnership:

- The Companies Act 2006 as applied to limited liability partnerships and FRS 102 in respect of the preparation and presentation of the financial statements.

**Auditor's responsibilities for the audit of the financial statements (continued)**

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements via fraudulent journal entries;
- The valuation of debtors at the year end and the completeness of any impairment as this is an estimate made by management.

The procedures we carried out to gain evidence in the above areas included:

- Testing a sample of manual journal entries, selected through applying specific risk assessments based on the entity's processes and controls surrounding manual journal entries;
- Challenging management regarding the assumptions used in the estimates identified above.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLA Evelyn Partners Limited

Kelly Jones

Senior Statutory Auditor  
for and on behalf of  
CLA Evelyn Partners Limited

Statutory Auditor  
Chartered Accountants

Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

Date: 25/09/2023

FEDERATED INVESTMENTS LLP  
STATEMENT OF COMPREHENSIVE INCOME  
For the year ended 31 December 2022

	Note	2022 £	2021 £
Turnover		-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Administrative expenses		332,878	(201,371)
Reversal of impairment of investment	6	259,000	-
Disposal of investment	6	-	53,716
<b>Operating Profit/(loss)</b>	3	<b>591,878</b>	<b>(147,655)</b>
Interest received		44,905	-
<b>Profit/(loss) on ordinary activities</b>		<b>636,783</b>	<b>(147,655)</b>
Total comprehensive income/(expense) for the financial year before Members' remuneration and profit shares		636,783	(147,655)
<b>Total comprehensive income/(expense) for the financial year available for discretionary division amongst Members</b>		<b>636,783</b>	<b>(147,655)</b>

All transactions arise from continuing operations.

The accompanying notes 1 to 11 form an integral part of these financial statements.

FEDERATED INVESTMENTS LLP  
BALANCE SHEET

As at 31 December 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets – investment properties	5	1	1
Investments	6	-	-
		<u>1</u>	<u>1</u>
<b>Current assets</b>			
Debtors	7	38,197,002	37,204,824
Cash at bank and in hand		339,477	71,865
		<u>38,536,479</u>	<u>37,276,689</u>
Creditors: amounts falling due within one year	8	(32,539)	(27,187)
<b>Net current assets</b>		<u>38,503,940</u>	<u>37,249,502</u>
<b>Net assets attributable to Members</b>		<u><u>38,503,940</u></u>	<u><u>37,249,502</u></u>
<b>Loans and other debts due to Members within one year</b>			
Members' other interests – capital classified as a liability	9	7,554,900	7,554,900
Members' other interests – other reserve		(243,815)	(1,028,253)
Loans due to Members	9	<u>31,192,855</u>	<u>30,722,855</u>
		<u><u>38,503,940</u></u>	<u><u>37,249,502</u></u>
<b>Total Members' interests</b>			
Amounts due from Members		(33,656,897)	(33,400,261)
Loans and other debts due to Members		31,192,855	30,722,855
Members' other interests		<u>7,311,085</u>	<u>6,526,647</u>
		<u><u>4,847,043</u></u>	<u><u>3,849,241</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small limited liability partnership's regime.

The financial statements were approved and authorised for issue by the Members and were signed on their behalf by:



**Hon. T Borwick**  
Designated Member

Date: 25/09/23

Company registered number: OC316759

The accompanying notes 1 to 11 form an integral part of these financial statements.

FEDERATED INVESTMENTS LLP  
RECONCILIATION OF THE MEMBERS' INTERESTS

As at 31 December 2022

	EQUITY		LIABILITY		TOTAL
	Other Reserve £	Members' capital – classified as liability £	Loans/other debts due to Members less any amounts due from Members in debtors £	Total liability £	Total Members' Interests £
Amounts due to Members			30,722,855		
Amounts due from Members			(33,400,261)		
Balance at 1 January 2022	(1,028,253)	7,554,900	(2,677,406)	4,877,494	3,849,241
Profit for the financial year	636,783	-	-	-	636,783
Members' interests after profit for the year	(391,470)	7,554,900	(2,677,406)	4,877,494	4,486,024
Allocation of prior year result	147,655	-	(147,655)	(147,655)	-
Loan introduced by members	-	-	500,000	500,000	500,000
Tax suffered at source	-	-	(8,981)	(8,981)	(8,981)
Loan to members	-	-	(100,000)	(100,000)	(100,000)
Drawings	-	-	(30,000)	(30,000)	(30,000)
Amounts due to Members		7,554,900	31,192,855	38,747,755	
Amounts due from Members		-	(33,656,897)	(33,656,897)	
Balance at 31 December 2022	(243,815)	7,554,900	(2,464,042)	5,090,858	4,847,043

	EQUITY		LIABILITY		TOTAL
	Other Reserve £	Members' capital – classified as liability £	Loans/other debts due to Members less any amounts due from Members in debtors £	Total liability £	Total Members' Interests £
Amounts due to Members			30,571,751		
Amounts due from Members			(34,483,804)		
Balance at 1 January 2021	1,493,826	7,554,900	(3,912,053)	3,642,847	5,136,673
Loss for the financial year	(147,655)	-	-	-	(147,655)
Members' interests after profit for the year	1,346,171	7,554,900	(3,912,053)	3,642,847	4,989,018
Allocation of prior year result	(2,374,424)	-	2,374,424	2,374,424	-
Drawings	-	-	(1,139,777)	(1,139,777)	(1,139,777)
Amounts due to Members		7,554,900	30,722,855	38,277,755	
Amounts due from Members		-	(33,400,261)	(33,400,261)	
Balance at 31 December 2021	(1,028,253)	7,554,900	(2,677,406)	4,877,494	3,849,241

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022**

**1. Accounting policies**

Federated Investments LLP is a limited liability partnership incorporated in England and Wales under the Companies Act 2006. The address of the registered office is 15 Great College Street, London, SW1P 3RX.

The principal accounting policies are summarised below.

**Basis of preparation**

These financial statements have been prepared under the historical cost convention and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", as applied in the context of the small entities regime, and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The financial statements present information about the LLP as an individual undertaking and not about its Group. The LLP has not prepared group financial statements on the grounds that it is part of a small group.

**Going concern**

During the year ended 31 December 2022, the LLP made a profit of £636,783. The Members have confirmed their support for the LLP going forward by issuing an unconditional letter of support and have confirmed they will not withdraw cash from the LLP to the extent that the usual operations of the LLP cannot not be funded for a period of at least 12 months from the date of approval of the financial statements.

As a result, at the time of approving the financial statements, the Members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future, which is at least 12 months from the date of approval of these financial statements. Therefore, the Members have concluded that it is appropriate for the financial statements to be prepared on a going concern basis.

**Taxation**

The tax payable on profits of the partnership is the personal liability of the Members and is not dealt with in these financial statements.

**Members' remuneration**

Remuneration that is paid under an employment contract or under the LLP agreement or other payments which represent a debt of Federated Investments LLP not arising from a division of profits are expensed to the profit and loss account and disclosed as "Members' remuneration charged as an expense".

Fixed share of profits or profit shares representing a debt arising from a division of profits are treated as Members' remuneration charged as an expense.

Profits divided on the basis of discretionary decisions of the LLP are reported as equity appropriations when they occur.

**Income from investments**

Investment income is included in the financial statements on the accruals basis. Overseas income is accounted for net of collection charges and overseas tax deducted at source. Deposit interest is included in the financial statements on the date it is receivable.

**Impairment of non-financial assets**

At each balance sheet date, assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). If there is an indication of possible impairment, the recoverable amount of any affected asset (or Group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

For the year ended 31 December 2022

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**1. Accounting policies (continued)**

**Investments**

Fixed asset investments are stated at cost less provision for impairment. In the event that contributions are received in connection with the acquisition of fixed asset investments, these are included in creditors and amortised through the LLP's profit and loss account over a five year period.

**Financial instruments**

Financial assets and financial liabilities are recognised in the balance sheet when the LLP becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the LLP will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less.

Financial liabilities issued by the LLP are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

**Members' capital**

Members' capital is accounted for in accordance with section 22 of FRS 102. Where the LLP has a contractual obligation to deliver cash or another financial asset to the Member, the capital is treated as debt. Where the LLP has an unconditional right to avoid delivering cash or other financial assets to a member in respect of such amounts, (i.e. repayment of the Members' capital is discretionary), it is treated as equity.

Members' capital is accounted for as debt in accordance with the LLP agreement as there is a contractual obligation for the LLP to deliver cash to the member withdrawing from the LLP.

For the year ended 31 December 2022

## 2. Key sources of estimation uncertainty and judgements

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. The areas where the most judgement is required are highlighted below:

### Impairment of assets

Assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. During the year there was a reversal of impairment of investments of £259,000 (2021: £nil) recognised in the statement of comprehensive income. A reversal of past impairment of amounts due from related parties was recognised, totalling £430,000 (2021: £nil) and impairment of amounts due from related parties was recognised, totalling £4,418 (2021: £135,870).

## 3. Operating Profit/(loss)

The operating profit/(loss) is stated after charging:

	2022 £	2021 £
Reversal of impairment of amounts owed by related undertakings	(430,000)	-
Impairment of amounts owed by related undertakings	4,418	135,870
Auditors' remuneration	<u>16,770</u>	<u>13,800</u>

## 4. Information in relation to Members

The average number of Members during the year was 4 (2021 – 4).

	2022 £	2021 £
The amount of (loss)/profit attributable to the Member with the largest entitlement was	<u>(146,178)</u>	<u>1,184,629</u>

(Loss)/profit attributable to the member with the largest entitlement is determined by reference to the allocation of (loss)/profit made during the year.

For the year ended 31 December 2022

**5. Tangible fixed assets**

	Investment properties £
Cost/valuation	
At 1 January 2022	1
Additions	-
Disposals	-
Revaluation	-
At 31 December 2022	<u>1</u>
Net book value at 31 December 2022	<u>1</u>
Net book value at 31 December 2021	<u>1</u>

**6. Investments**

**Investment in subsidiaries and current asset investments**

	Current asset investment £	Subsidiaries £	Total £
Cost			
At 1 January 2022	743,666	120,000	863,666
Additions	-	-	-
Disposal	(743,666)	-	(743,666)
At 31 December 2022	<u>-</u>	<u>120,000</u>	<u>120,000</u>
Impairment			
At 1 January 2022	743,666	120,000	863,666
Reversal of past impairment	(259,000)	-	(259,000)
Disposal	(484,666)	-	(484,666)
At 31 December 2022	<u>-</u>	<u>120,000</u>	<u>120,000</u>
Net book value			
At 31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>

During the year, the 17.5% holding in Mayfield Market Towns Limited was disposed of for proceeds of £259,000. The investment had been fully impaired in prior years but given the negotiated sales proceeds, an element of past impairment was reversed.

For the year ended 31 December 2022

## 6. Investments (continued)

The LLP holds shares as investments in the following subsidiary undertakings, associates and current asset investment entities:

Principal subsidiaries	Interest in ordinary shares and voting rights	Country of incorporation	Principal activity
Bicester Lane Limited	100%	Great Britain	Investment company
Love Lane Investments Limited	100%	Great Britain	Property management company
London Fair Oaks Lane Limited*	100%	Great Britain	Land holding company
<b>Associates</b>			
Countryside properties (Bicester) Ltd*	50%	Great Britain	Property and investment Holding Company
Unity Land LLP**	25%	Great Britain	Business Property Consultants
<b>Other</b>			
Kingsmere Estate Management Ltd*	Limited by guarantee	Great Britain	Resident's property management company Limited by guarantee

\* held indirectly via Bicester Lane Limited.

\*\* held indirectly via London Fair Oaks Lane Limited

Penso Holdings Limited was dissolved during the year.

## 7. Debtors

	2022 £	2021 £
Amounts owed by subsidiary undertakings	4,540,105	3,804,563
Members' current accounts	33,656,897	33,400,261
	<u>38,197,002</u>	<u>37,204,824</u>

Included in "Amounts owed by subsidiary undertakings" is an interest free loan of £4,532,222 (2021 - £3,742,262) made to Bicester Lane Limited and an interest free loan to Love Lane Investments Ltd which is written down to the recoverable amount of £7,883 (2021 - £62,301). Loans are unsecured and repayable on demand.

The recovery of the loan to Bicester Lane Limited is dependent on the amount which can be recovered from the future sale of land held by Bicester Lane Limited. Given that Bicester Lane Limited continues to make losses and the timing and proceeds from the future sale of land is currently unknown, there is uncertainty over the recoverability of this balance. Whilst noting the uncertainty in the recoverability of this balance, the members believe that it is appropriate that this balance is not impaired. The financial statements do not reflect any additional provision that may be required if the £4.5 million cannot be recovered in full.

**FEDERATED INVESTMENTS LLP**  
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

**8. Creditors: amounts falling due within one year**

	2022 £	2021 £
Other creditors and accruals	32,539	27,187
	<u>32,539</u>	<u>27,187</u>

**9. Loans and other debts due to Members**

Loans and other debts due to Members are payable as follows:

	2022 £	2021 £
Members' capital treated as liability	7,554,900	7,554,900
Members loans repayable on demand	31,192,855	30,722,855
	<u>38,747,755</u>	<u>38,277,755</u>

Loans and other debts due to Members rank equally with debts to ordinary creditors in the event of a winding up. There are no existing restrictions or limitations which impact the ability of the Members of the LLP to reduce the amount of Members' other interests.

**10. Transactions with Members and other related parties**

Transactions between the entities within the Group and the Members of the LLP are regarded as related party transactions. Details of these transactions are shown in notes 6, 7 and 9 and in the Reconciliation of the Members' Interests.

The LLP subscribed to loan notes totalling £nil (2021: £130,000) issued by Mayfield Market Towns Limited in the year, a company in which the LLP held a 17.5% interest prior to disposal as detailed in note 6. Lord Borwick, a designated member of the LLP, was also a statutory director of Mayfield Market Towns Limited.

The loan notes were entitled to interest at 5% per annum, however no interest was recognised historically given the loan notes were impaired in full. As part of the disposal transaction, the previously impaired loan note balance of £430,000 was recovered in full along with interest of £44,905.

**11. Ultimate controlling party**

In the opinion of the Members, Rutland Investments Limited has ultimate control of Federated Investments LLP.

FEDERATED INVESTMENTS LLP  
DETAILED Trading and PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2022

**THIS PAGE DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS**

	2022 £	2021 £
<b>Administrative expenses</b>		
Travelling and entertainment	120	-
Legal and professional	58,401	36,921
Accountancy	12,425	11,933
Audit	20,904	15,780
Bank charges	815	814
General expenses	39	53
Bad debt expense	4,418	135,870
Recovery of bad debts	(430,000)	
	<u>(332,878)</u>	<u>201,371</u>
<b>Operating loss</b>		
<b>Income from investments</b>		
Profit on disposal of investments	-	(53,716)
Reversal of past impairment of investments	(259,000)	-
	<u>(259,000)</u>	<u>(53,716)</u>
<b>Interest receivable</b>		
Interest on loan notes	(44,905)	-
	<u></u>	<u></u>
<b>Profit/(loss) for the financial year available for division amongst Members'</b>	<u><u>636,783</u></u>	<u><u>(147,655)</u></u>