

Company Registration No. 05273857

Dorrington Lyndale Limited

Annual Report and Financial Statements

for the year ended 31 December 2018



Dorrington Lyndale Limited

Annual report and financial statements 2018

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Dorrington Lyndale Limited

Annual report and financial statements 2018

Officers and professional advisers

Directors

J P Kennedy
A J Leibowitz
T Moross
D J Salvesen

Company Secretary

Hanover Management Services Limited

Registered Office

16 Hans Road
London
SW3 1RT

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Dorrington Lyndale Limited

Annual report and financial statements 2018

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2018.

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

Business review and principal activities

The company's principal activity is that of an investment holding company. There have not been any significant changes in the company's principal activities during the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

The financial statements have been prepared on the going concern basis. The balance sheet shows that the company has net current liabilities. The directors have received confirmation from the parent company that they shall continue to fund the company so that it can meet its external liabilities for at least twelve months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements (Note 1).

The results for the year are shown in the profit and loss account on page 7. The profit for the year is £598,521 (2017: £1,139,687). The position of the company at the year end is set out on page 8 of the financial statements.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

Directors

The present directors are shown on page 1. All directors served throughout the year and subsequently.

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Dorrington Lyndale Limited

Annual report and financial statements 2018

Directors' report (continued)

Disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

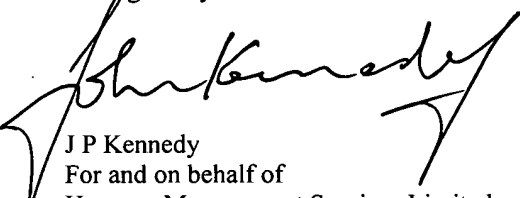
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Auditor

Deloitte LLP have expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed by order of the Board:



J P Kennedy
For and on behalf of
Hanover Management Services Limited
Company Secretary

20 JUNE 2019

Dorrington Lyndale Limited

Independent auditor's report to the members of Dorrington Lyndale Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Dorrington Lyndale Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 13.

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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

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.

Dorrington Lyndale Limited

Independent auditor's report to the members of Dorrington Lyndale Limited (continued)

Other information (continued)

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

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Dorrington Lyndale Limited

Independent auditor's report to the members of Dorrington Lyndale Limited (continued)

Matters on which we are required to report by exception

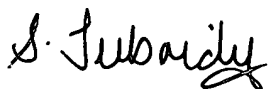
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

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.



Sara Tubridy FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

25 June 2019

Dorrington Lyndale Limited

Profit and loss account

For the year ended 31 December 2018

	Notes	2018 £	2017 £
Administrative expenses		(1,800)	(1,800)
Operating loss	4	(1,800)	(1,800)
Finance costs	5	(525,202)	(453,657)
Decrease in provision against investment in subsidiary undertaking	7	1,025,393	1,507,484
Profit before taxation		498,391	1,052,027
Tax on profit	6	100,130	87,660
Profit for financial year		<u>598,521</u>	<u>1,139,687</u>

All activities derive from continuing operations in both the current and preceding years.

Statement of comprehensive income

For the year ended 31 December 2018

	2018 £	2017 £
Profit for the financial year	598,521	1,139,687
Total comprehensive income for the financial year	<u>598,521</u>	<u>1,139,687</u>

Dorrington Lyndale Limited

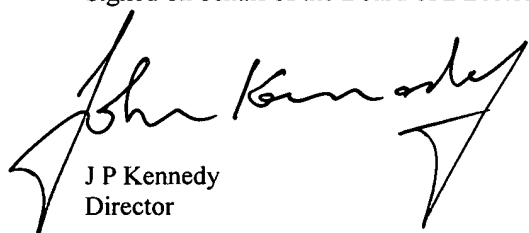
Balance sheet

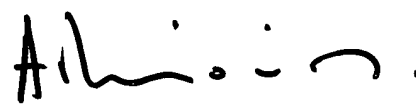
As at 31 December 2018

	Note	2018		2017	
		£	£	£	£
Fixed assets					
Investment in subsidiary undertakings	7		27,755,262		26,729,869
Creditors: amounts falling due within one year	8	(1,800)		(1,800)	
Net current liabilities			(1,800)		(1,800)
Total assets less current liabilities			27,753,462		26,728,069
Creditors: amounts falling due after one year	9		(20,588,542)		(20,161,670)
Net assets			7,164,920		6,566,399
Capital and reserves					
Called up share capital	10		2		2
Profit and loss account	10		7,164,918		6,566,397
Shareholders' funds			7,164,920		6,566,399

The financial statements of Dorrrington Lyndale Limited, Company Registration No. 005273857 were approved and authorised for issue by the Board of Directors on ~~25 JUNE~~ 2019.

Signed on behalf of the Board of Directors:


J P Kennedy
Director


A J Leibowitz
Director

Dorrington Lyndale Limited

Statement of changes in equity For the year ended 31 December 2018

	Called up Share Capital £	Profit and loss account £	Total £
At 1 January 2017	2	5,426,710	5,426,712
Total comprehensive income for the year	-	1,139,687	1,139,687
At 31 December 2017	2	6,566,397	6,566,399
Total comprehensive income for the year	-	598,521	598,521
At 31 December 2018	2	7,164,918	7,164,920

Dorrington Lyndale Limited

Notes to the financial statements For the year ended 31 December 2018

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

Statutory information

Dorrington Lyndale Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1.

Accounting convention

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The financial statements are also presented in pounds sterling.

The company is exempt from preparing consolidated accounts under the Companies Act 2006 because it is a wholly owned subsidiary of an EC parent, as disclosed in note 11 of the financial statements. These financial statements present information as an individual undertaking and not as a group. Exemptions have taken in relation to financial instruments, presentation of a cash flow statement, related party transactions and remuneration of key management personnel.

Going concern

The financial statements have been prepared on a going concern basis. After due consideration of the recent economic climate, and the continued challenges within the real estate sector, the directors have reasonable expectations that the company has adequate resources to continue in operational existence for the foreseeable future.

Investments in subsidiary undertakings

Investments in subsidiary undertakings in the company's balance sheet are stated at cost less provision for impairment.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. 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 Group after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Dorrington Lyndale Limited

Notes to the financial statements (continued) **For the year ended 31 December 2018**

1. Accounting policies (continued)

Financial instruments (continued)

Debt instruments are measured at amortised cost using the effective interest method. Debt instruments that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property and investment property, measured using the revaluation model is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or statement of changes in equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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.

Investments in subsidiary undertakings are stated at cost less any provision for impairment in value. An annual review is carried out to adjust the provision required to reflect the movement in the net asset value at the end of each year. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

Dorrington Lyndale Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the accounting period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. Information regarding directors and employees

None of the directors received any emoluments for their services to the company during the year and preceding year. There were no other employees (2017: none).

4. Operating loss

	2018 £	2017 £
Operating loss is stated after charging:		
Fees paid to the company's auditor for the audit of the company's annual financial statements	1,800	1,800

There are no non audit fees included within the stated operating loss figure for the year (2017: £nil)

5. Finance costs

	2018 £	2017 £
Interest payable and similar expenses		
On loans from group undertakings	525,202	453,657

6. Tax on profit

	2018 £	2017 £
United Kingdom corporation tax at 19% (2017: 19.25%)	100,130	87,660

The effective rate of corporation tax for the year varies from the standard rate in the United Kingdom as applied to the Company's pre-tax profit for the reasons analysed below.

	2018 £	2017 £
Profit before tax	498,391	1,052,027
Profit multiplied by the standard rate of corporation tax in the UK	94,694	202,479
Effects of:		
Other tax rate impacts	(194,824)	(290,139)
Total tax for the year	(100,130)	(87,660)

Finance Act 2015 provided for a reduction in the main rate of corporation tax to 19% from 20% effective from 1 April 2017.

The corporation tax rate will be reduced by a further 2% to 17% for the financial year beginning 1 April 2020.

There is no expiry date on timing differences, unused tax losses or tax credits.

Dorrington Lyndale Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

7. Investments in subsidiary undertakings

	£
At cost	
At 1 January and 31 December 2018	<u>35,666,394</u>
Provisions	
At 1 January 2018	8,936,525
Release of provision	<u>(1,025,393)</u>
At 31 December 2018	<u>7,911,132</u>
Net book value	
At 31 December 2018	<u>27,755,262</u>
At 31 December 2017	<u>26,729,869</u>

The current year release of provision is an adjustment to reflect the movement in the market value of the subsidiary's trading properties.

The following company is the subsidiary in which the company has an interest. The subsidiary is incorporated in Great Britain, registered in England and Wales with registered address as 16 Hans Road, London SW3 1RT and is 100% owned.

Directly held	Principal activity
Lyndale Development Company	Property trading

Group financial statements have not been prepared as the company is a subsidiary of another company incorporated in Great Britain. Consequently, the financial statements deal with the company rather than the group. In the opinion of the directors the aggregate value of the shares in and amounts owing from the company's unconsolidated subsidiary undertakings is not less than the total amount at which they are stated in the balance sheet.

8. Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	<u>1,800</u>	<u>1,800</u>

9. Creditors: amounts falling due after one year

	2018 £	2017 £
Amounts due to immediate parent undertaking	5,225,600	5,679,125
Amounts due to subsidiary undertaking	<u>15,362,942</u>	<u>14,482,545</u>
	<u>20,588,542</u>	<u>20,161,670</u>

The loans from the immediate parent company and the subsidiary undertaking are repayable after one year with no fixed repayment date. The loans are unsecured and interest is charged at a commercial rate of 2% above LIBOR rate.

Dorrington Lyndale Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

10. Called up share capital

	2018	2017
	£	£
Authorised:		
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
Allotted, called up and fully paid:		
2 ordinary shares of £1	2	2
	<u> </u>	<u> </u>

The profit and loss reserve represents cumulative profits, including unrealised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

11. Ultimate parent undertaking

The company's ultimate parent undertaking and controlling party is Quadriga International Limited, a company incorporated in the British Virgin Islands.

On 27 December 2018, the immediate parent company changed from Dorrrington Investment PLC to Dorrrington Estates Limited.

The company is a subsidiary of its immediate parent company Dorrrington Estates Limited and its intermediate parent undertakings, Tamoa Limited and Hanover Acceptances Limited, all companies being incorporated in Great Britain and registered in England and Wales. Hanover Acceptances Limited is the largest group for which consolidated financial statements are prepared and Dorrrington Estates Limited is the smallest group for which consolidated financial statements are prepared.

Copies of the financial statements of Dorrrington Estates Limited and Hanover Acceptances Limited are available from the Company Secretary, 16 Hans Road, London SW3 1RT which is its registered address.

12. Related party transactions

The company has taken advantage of the exemption from the disclosure of related party transactions with entities that are part of the group in accordance with Paragraph 33.1A of Financial Reporting Standard No. 102.

13. Cash flow statement

The company is a wholly owned subsidiary of Hanover Acceptances Limited and the cash flows of the company are included in the consolidated cash flow statement of Hanover Acceptances Limited. Consequently, the company is exempt under Financial Reporting Standard No. 102 from the requirement to prepare a cash flow statement.

Copies of the financial statements of Hanover Acceptances Limited are available from its registered address via the Company Secretary, 16 Hans Road, London SW3 1RT.