

Company Registration No. 01039810

**Dorrington Property Developments
Limited**

Annual Report and Financial Statements

for the year ended 31 December 2018

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Dorrington Property Developments Limited

Report and financial statements 2018

Contents	Page
Officers and professional advisers	1
Directors' report	2
Independent auditors' report	4
Profit and loss account	7
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

Dorrington Property Developments Limited

Report and financial statements 2018

Officers and professional advisers

Directors

M S Gorvy
A R Giblin
A J Leibowitz
T Moross
J P Kennedy
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 Property Developments Limited

Directors' report

The directors present their annual 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 property investment. 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 company's main financial objective is to create shareholder value. The cyclical nature of the property markets raises the risk of variations in the value of our portfolio and there is the risk of valuation corrections in future years.

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 loss for the year is £790,466 (2017: loss £2,562,463). 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 Property Developments Limited

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:

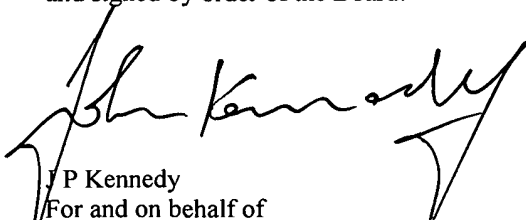
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that 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 continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming 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 Property Developments Limited

Independent auditor's report to the members of Dorrington Property Developments Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Dorrington Property Developments 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 loss 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 17.

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 Property Developments Limited

Independent auditor's report to the members of Dorrington Property Developments 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 Property Developments Limited

Independent auditor's report to the members of Dorrington Property Developments 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 Property Developments Limited

Profit and loss account

For the year ended 31 December 2018

	Notes	2018 £	2017 £
Turnover	1,3	1,743,616	1,810,786
Direct property expenses		<u>(657,311)</u>	<u>(650,734)</u>
Gross profit		1,086,305	1,160,052
Administrative expenses		(38,472)	(1,739)
Unrealised losses on revaluation of investment properties	5	<u>(703,185)</u>	<u>(2,978,608)</u>
Operating profit/(loss)	5	344,648	(1,820,295)
Finance costs (net)	6	<u>(1,234,736)</u>	<u>(1,079,697)</u>
Loss before taxation		(890,088)	(2,899,992)
Tax on loss	7	<u>99,622</u>	<u>337,529</u>
Loss for the financial year		<u><u>(790,466)</u></u>	<u><u>(2,562,463)</u></u>

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

Statement of comprehensive income

For the year ended 31 December 2018

	2018 £	2017 £
Loss for the financial year	<u>(790,466)</u>	<u>(2,562,463)</u>
Total comprehensive loss for the financial year	<u><u>(790,466)</u></u>	<u><u>(2,562,463)</u></u>

Dorrington Property Developments Limited

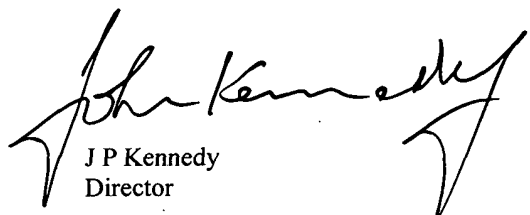
Balance sheet

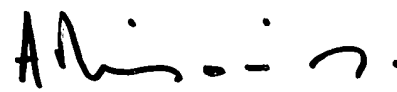
As at 31 December 2018

	Notes	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	8		45,439,302		45,742,500
Current assets					
Stocks	9	18,000		18,000	
Debtors: amounts falling due within one year	10	209,220		129,813	
Debtors: amounts falling due after more than one year	10	69,777		-	
Cash at bank and in hand		5,555		2,396	
			<u>302,552</u>	<u>150,209</u>	
Creditors: amounts falling due within one year	11	<u>(249,836)</u>		<u>(175,887)</u>	
Net current assets/(liabilities)			<u>52,716</u>		<u>(25,678)</u>
Total assets less current liabilities			45,492,018		45,716,822
Creditors: amounts falling due after one year	12		(48,340,886)		(47,775,224)
Provisions for liabilities	13		-		-
Net liabilities			<u>(2,848,868)</u>		<u>(2,058,402)</u>
Capital and reserves					
Called up share capital	14		100		100
Profit and loss account	14		<u>(2,848,968)</u>		<u>(2,058,502)</u>
Shareholders' deficit			<u>(2,848,868)</u>		<u>(2,058,402)</u>

The financial statements of Dorrington Property Developments Limited Company Registration No. 001039810 were approved and authorised for issue by the Board of Directors on ~~20~~20 JUNE 2019.

Signed on behalf of the Board of Directors:


J P Kennedy
Director


A J Leibowitz
Director

Dorrington Property Developments 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	100	503,961	504,061
Total comprehensive loss for the year	-	(2,562,463)	(2,562,463)
At 31 December 2017	100	(2,058,502)	(2,058,402)
Total comprehensive loss for the year	-	(790,466)	(790,466)
At 31 December 2018	100	(2,848,968)	(2,848,868)

Included in profit and loss account is an unrealised loss of £3,038,707 (2017: Loss £2,405,299).

Dorrington Property Developments 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 Property Developments 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.

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.

Turnover

Turnover excludes value added tax (where applicable), represents rents receivable and arises wholly within the United Kingdom. Where a rent free period is offered as an incentive to sign a lease, the rent is recognised over the entire lease and hence is accrued for.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account.

Development properties

Development properties are included at the lower of cost and net realisable value.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful economic lives as follows:

Furniture and fittings	4 years
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Dorrington Property Developments Limited

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

1. Accounting policies (continued)

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.

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.

Dorrington Property Developments Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

1. Accounting policies (continued)

Taxation (continued)

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.

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.

Estimates

Property portfolio valuation

Freehold and long leasehold land and buildings are revalued at fair value by the directors of the company who are members of the Royal Institution of Chartered Surveyors, as at each balance sheet date.

Judgements

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Distinction between investment and trading property

On acquiring a property asset, the company considers the intention at the outset in order to classify the property as either an investment or as trading stock. Where the intention is to hold the property for its long-term rental yield and capital appreciation, the property is held as an investment property. Where the intention is to trade the property in the ordinary course of business, the property is held as trading stock.

3. Turnover

The analysis of turnover (all derived within the United Kingdom) is as follows:

	2018	2017
	£	£
Rent receivable	<u>1,743,616</u>	<u>1,810,786</u>

4. Information regarding directors and employees

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

Dorrington Property Developments Limited

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

5. Operating loss

	2018 £	2017 £
Operating loss is stated after charging:		
Auditor's remuneration : fees paid to the company's auditor for the audit of the company's annual financial statements	2,000	2,000
Depreciation – owned assets	29,825	-
Unrealised losses on fair value movement of investment properties	703,185	2,978,608
	<u>705,010</u>	<u>2,980,608</u>

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

6. Finance costs

	2018 £	2017 £
Interest payable and similar expenses	1,234,736	1,079,697
Interest payable and similar expenses		
	2018 £	2017 £
Loans from Group undertakings	1,234,736	1,079,697

7. Tax

	2018 £	2017 £
Current tax		
United Kingdom corporation tax at 19% (2017: 19.25%)	(29,845)	15,131
Deferred tax		
Effect of decrease in value of investment properties	(69,777)	(352,660)
Total deferred tax (note 13)	<u>(69,777)</u>	<u>(352,660)</u>
Total tax on loss	<u>(99,622)</u>	<u>(337,529)</u>

The effective rate of corporation tax for the year varies from the standard rate in the UK as applied to the company's pre-tax loss for the reasons analysed below:

	2018 £	2017 £
Loss before tax	(890,088)	(2,899,992)
Loss multiplied by standard rate of corporation tax in the UK	(169,117)	(558,149)
Effects of:		
Other tax rate impacts	5,667	-
Impact of allowances on the net revaluation of investment properties	63,828	220,620
Total tax for the year	<u>(99,622)</u>	<u>(337,529)</u>

Dorrington Property Developments Limited

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

7. Tax (continued)

Finance Act 2015 provided for a reduction in the main rate of corporation tax to 19% from 20% effective from 1 April 2017. Refer to note 13 for an analysis of the deferred tax balance.

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.

8. Investment properties

	Investment properties £	Fixtures and fittings £	Total £
At cost or valuation:			
At 1 January 2018	45,742,500	-	45,742,500
Additions	310,510	119,302	429,812
Deficit on revaluation	(703,185)	-	(703,185)
At 31 December 2018	<u>45,349,825</u>	<u>119,302</u>	<u>45,469,127</u>
Depreciation:			
At 1 January 2018	-	-	-
Charge for the year	-	29,825	29,825
At 31 December 2018	<u>-</u>	<u>29,825</u>	<u>29,825</u>
Net book value:			
At 31 December 2018	<u>45,349,825</u>	<u>89,477</u>	<u>45,439,302</u>
At 31 December 2017	<u>45,742,500</u>	<u>-</u>	<u>45,742,302</u>

Freehold and long leasehold land and buildings were revalued to fair value by those directors of the company who are members of the Royal Institution of Chartered Surveyors, at £45,349,825 (2017: £45,742,500) as at 31 December 2018. The Group's in-house team provided a vacant possession value, against which a discount is applied to establish the fair value.

The key assumptions are typically market related, such as yields and discount rates, and are based on their professional judgement and market observation. No contingent rents have been recognised as income in the current or prior year.

The net revaluation deficit of £703,185 (2017: deficit £2,978,608) has been recognised in the profit and loss account and is classified as unrealised and non-distributable. The carrying value under the historical cost convention of the land and buildings was £45,760,277 (2017: £45,449,767).

At the balance sheet date, the company had contracted with tenants for the following minimum lease payments:

	2018 £	2017 £
Within one year	<u>1,587,660</u>	<u>1,713,482</u>

The company has entered into non-cancellable contractual commitments in respect of investment properties of £1,587,660 (2017: £1,713,482). The company is additionally contractually obliged to carry out annual repairs and maintenance in respect of investment property, which in the current year amounted to £523,928 (2017: £599,719).

Dorrington Property Developments Limited

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

9. Stocks

	2018 £	2017 £
Trading properties	18,000	18,000

In the opinion of the directors the value of trading properties held is not less than that at which they are stated in the financial statements.

10. Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	145,097	116,805
Other debtors	64,123	13,008
	<u>209,220</u>	<u>129,813</u>
Amounts falling due after more than one year:		
Deferred tax asset (note 13)	69,777	-

11. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	-	105,641
Accruals and deferred income	249,836	70,246
	<u>249,836</u>	<u>175,887</u>

12. Creditors: amounts falling due after one year

	2018 £	2017 £
Amounts owed to subsidiary undertakings	48,340,886	47,775,224

The loans due to subsidiary undertakings are repayable after one year with no fixed repayment date. Interest is charged at a commercial rate of 2% above LIBOR rate.

Dorrington Property Developments Limited

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

13. Provisions for liabilities

	2018 £	2017 £
Deferred taxation		
Balance at 1 January	-	352,660
Credit to profit and loss account (note 7)	(69,777)	(352,660)
	<u>(69,777)</u>	<u>-</u>
Balance at 31 December	(69,777)	-
Provision for the Group's potential deferred tax liability comprises:		
Deferred tax asset arising on the revaluation of investment properties	(69,777)	-
	<u>(69,777)</u>	<u>-</u>

The deferred tax asset at 31 December 2018 has been shown under debtors due after more than one year (note 10).

14. Called up share capital and reserves

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

The profit and loss reserve represents cumulative profits, net of dividends paid and other adjustments.

15. Ultimate parent undertaking

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

The company is a subsidiary of its immediate parent undertaking Dorrrington Investment PLC and its intermediate parent undertakings, Dorrrington PLC, 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 PLC is the smallest group for which consolidated financial statements are prepared.

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

16. Related party transactions

The company has taken advantage of the exemption from related party disclosures in accordance with Paragraph 33.1A of Financial Reporting Standard No. 102.

17. 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 102 from the requirement to prepare a cash flow statement.