

Company Registration No. 00634740

Dorrington Investment PLC

Annual Report and Financial Statements

for the year ended 31 December 2018



Dorrington Investment PLC

Annual report and financial statements 2018

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Dorrington Investment PLC

Officers and financial advisers

Chairman

M S Gorvy BCom FCA

Managing Director

A J Leibowitz BSc MSc FRICS

Directors

M S Gorvy

S B Gorvy

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

Solicitors

Herbert Smith Freehills LLP

Auditor

Deloitte LLP

Statutory Auditor

London

United Kingdom

Dorrington Investment PLC

Annual report and financial statements 2018

Strategic report

Business review and principal activities

The company is part of the Dorrington PLC group of companies.

The company's principal activity is the holding of shares in a number of subsidiary undertakings (note 19) involved in residential and commercial property trading and investment. On the 1 May 2018, the company acquired the remaining 50% of shares in the joint venture company, Walworth Investment Properties Limited, from its joint venture partner, Grainger PLC.

Profit for the year before taxation of £17.2m was primarily related to dividends received from its subsidiary undertakings, compared to £21.4m in the previous year. The profit for the financial year was £17.6m (2017: £21.6m). The position of the company at the year end is set out on page 9.

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 to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Risks and uncertainties

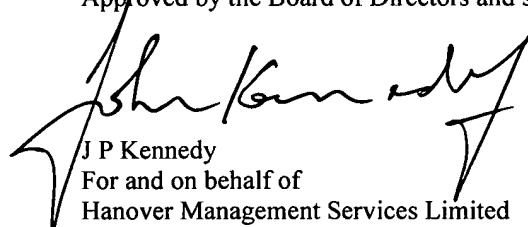
The company's main financial objective is to create shareholder value through direct investment in a number of subsidiary undertakings. Liquidity and cash flow are managed through intercompany debt. The company does not use derivative financial instruments.

The significant risk to cash flow is a poor operating performance by its subsidiary undertakings, resulting in lower dividend receipts.

Detailed financial appraisals are conducted for all significant corporate acquisitions and disposals. A full due diligence review is carried out prior to all transactions, including relevant corporate due diligence where assets are acquired through separate corporate entities.

The company recognises the importance of its environmental responsibilities and for health and safety in its operating businesses.

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 Investment PLC

Annual report and financial statements 2018

Directors' report

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

Business review and principal activities

The company is an intermediate parent company of a group of companies engaged in trading and investment, primarily in residential property. 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 continues to be profitable and is in a net asset position. Accordingly, they continue to adopt the going concern basis in preparing the financial statements (Note 1).

The results for the year are set out on page 8. The profit for the year is £17.6m (2017: £21.6m). The position of the company at the year end is set out on page 9 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Dividends

An interim dividend of £18m was declared and paid during the year ended 31 December 2018 (2017: £18m).

Directors

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

Dorrington Investment PLC

Annual report and financial statements 2018

Directors' report (continued)

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.

Disclosure of information to auditor

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

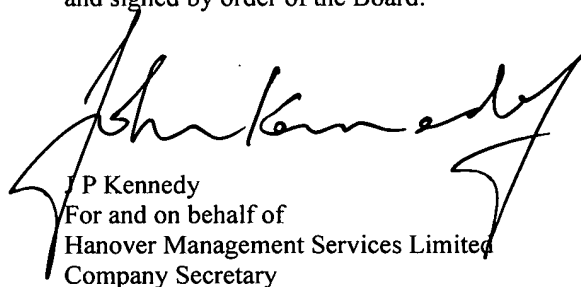
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that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

Independent auditor's report to the members of Dorrington Investment PLC

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Dorrington Investment PLC (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 19.

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 Investment PLC

Independent auditor's report to the members of Dorrington Investment PLC (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 strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

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 strategic report or the directors' report.

Dorrington Investment PLC

Independent auditor's report to the members of Dorrington Investment PLC (continued)

Matters on which we are required to report by exception

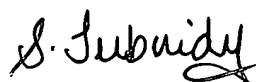
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

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 Investment PLC

Profit and loss account

For the year ended 31 December 2018

	Notes	2018 £	2017 £
Administrative expenses		(394,814)	(470,103)
Operating loss	3	(394,814)	(470,103)
Income from investments in subsidiary undertakings	4	20,000,000	20,000,000
Income from investment in joint venture		-	2,500,000
Sundry income		47,760	57,175
Release of provision against investment in subsidiary undertakings	9	(433,999)	-
Finance costs (net)	5	(2,045,905)	(693,797)
Profit before taxation		17,173,042	21,393,275
Tax on profit	7	449,032	206,835
Profit for the financial year		<u>17,622,074</u>	<u>21,600,110</u>

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

Statement of comprehensive income

For the Year ended 31 December 2018

	2018 £	2017 £
Profit for the financial year	<u>17,622,074</u>	<u>21,600,110</u>
Total comprehensive income for the financial year	<u>17,622,074</u>	<u>21,600,110</u>

Dorrington Investment PLC

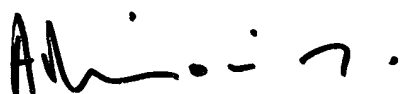
Balance sheet

As at 31 December 2018

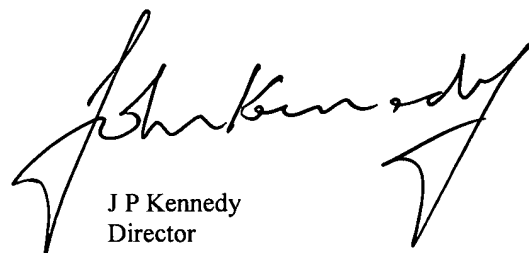
	Notes	£	2018 £	£	2017 £
Fixed assets					
Investments subsidiary undertakings	9		122,182,713		33,638,852
Investment in joint venture	10		-		21,572,760
Other investments			4		4
			<u>122,182,717</u>		<u>55,211,616</u>
Current assets					
Debtors: amounts falling due within one year	11	471,280		372,722	
Debtors: amounts falling due after one year	12	248,689,860		221,494,694	
Cash at bank and in hand		18,691		4,757	
			<u>249,179,831</u>	<u>221,872,173</u>	
Creditors: amounts falling due within one year	13	(69,589)		(51,375)	
Net current assets			<u>249,110,242</u>		<u>221,820,798</u>
Total assets less current liabilities			371,292,959		277,032,414
Creditors: amounts falling due after one year	14		(349,422,278)		(254,783,807)
Net assets			<u>21,870,681</u>		<u>22,248,607</u>
Capital and reserves					
Called up share capital	15		671,000		671,000
Share premium	15		1,837,127		1,837,127
Other reserves	15		98,145		98,145
Profit and loss account	15		19,264,409		19,642,335
Shareholders' funds			<u>21,870,681</u>		<u>22,248,607</u>

The financial statements of Dorrington Investment PLC Company Registration No. 00634740 were approved and authorised for issue by the Board of Directors on 20 June 2019.

Signed on behalf of the Board of Directors:



A J Leibowitz
Director



J P Kennedy
Director

Dorrington Investment PLC

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

	Called up share capital £	Share premium £	Other reserves £	Profit and loss account £	Total £
At 1 January 2017	671,000	1,837,127	98,145	16,042,225	18,648,497
Profit for the financial year	-	-	-	21,600,110	21,600,110
Total comprehensive income	-	-	-	21,600,110	21,600,110
Dividend paid	-	-	-	(18,000,000)	(18,000,000)
At 31 December 2017	671,000	1,837,127	98,145	19,642,335	22,248,607
Profit for the financial year	-	-	-	17,622,074	17,622,074
Total comprehensive income	-	-	-	17,622,074	17,622,074
Dividend paid	-	-	-	(18,000,000)	(18,000,000)
At 31 December 2018	671,000	1,837,127	98,145	19,264,409	21,870,681

Dorrington Investment PLC

Notes to the financial statements (continued) **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 Investment PLC 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.

Group reorganisation

In December 2018, a separate holding company called Dorington Estates Limited was established, to hold certain subsidiaries of the Dorington PLC Group, as part of management's initiative to simplify the legal and organisational structure of the group.

The shares of companies held by Dorington Investment PLC, direct investments of the company, were transferred for cash at book value to Dorington Estates Limited.

On 27 December 2018, Dorington Estates Limited entered into an agreement with Dorington Investment PLC to acquire the entire share capital of the following companies:

- Barcforest Limited
- Capital & District Properties Limited
- Dorrington Developments Limited
- Dorrington (Knightsbridge) Properties Limited
- Hanover Property Trust Limited
- Lintsbrook Developments Limited
- Rivers Edge Estates Limited
- Highcroft Estates Limited
- Ventaquest Development Limited

On 27 December 2018, Dorington Estates Limited entered into three further separate agreements with Dorington Investment PLC to acquire the entire share capital of the following companies:

- Dorrington Housing Limited
- Dorrington Lyndale Limited
- Dorrington Residential Limited

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.

Dorrington Investment PLC 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 16 of the financial statements. These financial statements present information as an individual undertaking and not as a group. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, related party transactions and remuneration of key management personnel.

Dorrington Investment PLC

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

1. Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis. After due consideration of the company's financial position and trading performance as well as 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.

Dividend and interest revenue

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Pension scheme

The company is a member of the Hanover Acceptances Limited Group Pension Scheme, which is a defined benefit scheme covering certain employees. As the employer is unable to identify its share of the underlying assets and liabilities, the scheme is treated as if it were a defined contribution scheme and the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet. Independent actuarial valuations of the scheme are made every three years.

Investments in associates, joint ventures and joint arrangements

Investments in subsidiary undertakings and joint arrangements 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.

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.

Dorrington Investment PLC

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

1. Accounting policies (continued)

Financial instruments (continued)

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.

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.

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 Investment PLC

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

3. 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	4,000	4,000

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

4. Income from investments in subsidiary undertakings

	2018 £	2017 £
Dividends	20,000,000	20,000,000

5. Finance costs (net)

	2018 £	2017 £
Interest payable and similar expenses	8,587,326	5,348,839
Less: investment income	(6,541,421)	(4,655,042)
	<u>2,045,905</u>	<u>693,797</u>

Investment income

	2018 £	2017 £
Bank interest	-	19
Loans to group undertakings	6,541,421	4,606,139
Other interest	-	48,884
	<u>6,541,421</u>	<u>4,655,042</u>

Interest payable and similar expenses

	2018 £	2017 £
Interest on mortgage and debenture loans	-	12,715
Bank interest	4	-
Loans from Group undertakings	8,587,322	5,336,124
	<u>8,587,326</u>	<u>5,348,839</u>

6. Information regarding directors and employees

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

Dorrington Investment PLC

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

7. Tax on profit

	2018 £	2017 £
UK corporation tax at 19% (2017: 19.25%)	(449,032)	(206,835)
Total current tax	(449,032)	(206,835)

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	17,173,042	21,393,275
Profit multiplied by the standard rate of corporation tax in the UK	3,262,878	4,117,473
Effects of:		
Expenses not deductible for tax purposes	88,101	6,185
Dividends	(3,800,000)	(4,330,480)
Other tax rate impacts	(11)	(13)
Total tax for the year	(449,032)	(206,835)

Finance Act 2015 provided for a reduction in the main rate of corporation tax to 19% 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.

8. Dividends

	2018 £	2017 £
Interim dividend paid on ordinary shares at 26.83p per share (2017: 26.83p per share)	18,000,000	18,000,000

Dorrington Investment PLC

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

9. Investments in subsidiary undertakings

	2018 £	2017 £
At cost		
At 1 January	34,481,078	30,898,671
Transfer from investment in joint venture (note 10)	21,572,760	-
Additions	67,423,029	3,582,407
Disposals	(851,062)	-
At 31 December	122,625,805	34,481,078
Provisions		
At 1 January	842,226	842,226
Increase in provision	433,999	-
Disposals	(833,133)	-
At 31 December	443,092	842,226
Net book value at 31 December	122,182,713	33,638,852

On the 1 May 2018, the Group acquired the remaining 50% of shares in the joint venture company, Walworth Investment Properties Limited, from its joint venture partner, Grainger PLC. The net joint venture investment of £60m was attributable to investment properties of £102.6m; current assets of £5.3m; non-current liabilities of £39.7m and current liabilities of £8.2m.

The shares of companies held by Dorington Investment PLC, direct investments of the company, were transferred for cash at book value to Dorington Estates Limited.

The subsidiary undertakings in which the company has an interest are listed in note 19. All are wholly owned with 100% voting rights and incorporated in Great Britain.

10. Joint ventures

	Investment £
At 1 January	21,572,760
Transfer to investments in subsidiary undertakings (note 9)	(21,572,760)
At 31 December 2018	-

The joint venture investment is held through a 50% investment in Walworth Investment Properties Limited, a property investment company incorporated in Great Britain.

On the 1 May 2018, the company acquired the remaining 50% of shares in the joint venture company, Walworth Investment Properties Limited, from its joint venture partner, Grainger PLC.

Dorrington Investment PLC

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

11. Debtors: amounts falling due within one year

	2018	2017
	£	£
Trade debtors	416,536	313,271
Prepayments and accrued income	54,744	59,451
	<u>471,280</u>	<u>372,722</u>

12. Debtors: amounts falling due after one year

	2018	2017
	£	£
Amounts due from subsidiary undertakings	<u>248,689,860</u>	<u>221,494,694</u>

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

13. Creditors: amounts falling due within one year

	2018	2017
	£	£
Other creditors	<u>69,589</u>	<u>51,375</u>

14. Creditors: amounts falling due after one year

	2018	2017
	£	£
Amounts due to subsidiary undertakings	17,953,678	13,077,030
Amounts due to parent undertakings	<u>331,468,600</u>	<u>241,706,777</u>
	<u>349,422,278</u>	<u>254,783,807</u>

The loans from the subsidiary and parent undertakings 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.

15. Called up share capital and reserves

	2018	2017
	£	£
Authorised:		
75,000,000 ordinary shares of 1p each	<u>750,000</u>	<u>750,000</u>
Allotted, called up and fully paid:		
67,100,000 ordinary shares of 1p each	<u>671,000</u>	<u>671,000</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.

The share premium reserve and other reserves contains the premium arising on issue of equity shares, net of issue expenses.

Dorrington Investment PLC

Notes to the financial statements (continued)

For the year ended 31 December 2018

16. Ultimate parent undertaking

The company's ultimate parent company 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 Dorrington PLC and its intermediate parent undertaking 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 Dorrington PLC is the smallest group for which consolidated financial statements are prepared.

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

17. 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.

18. 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.

19. Subsidiary undertakings

All subsidiaries have been incorporated in the UK with the registered address as 16 Hans Road, London, SW3 1RT and are 100% owned.

Directly held:

135 Ashmore Road Limited
Dorrington Belgravia Limited
Dorrington Investment Trust Limited
Dorrington London Flats Limited
Dorrington Property Developments Limited
Dorrington Queensway Limited
Eaton Manor Hove Limited
F & D Knight Limited
Hampstead Property (Residential) Limited
Hampstead Property Limited
Harry Johnson (Nottingham) Limited
Heath (Properties) Limited
Heath Rise Freehold Limited
Portman Estates Limited
Walworth Investment Properties Limited

Activity:

Dormant
Property Investment
Dormant
Property Investment
Property Investment
Property Investment
Property Investment
Dormant
Dormant
Dormant
Dormant
Property investment
Dormant
Property Investment