

DCD London & Mutual Plc

Strategic Report, Report of the Directors and Financial Statements

Year Ended

31 December 2019

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DCD London & Mutual Plc
Annual report and financial statements for the year ended 31 December 2019

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Directors

S A Randeree
J A Manjoo
F Randeree

Secretary and registered office

C E Shelley
90 Long Acre
London
WC2E 9RA

Company number

02896868

Senior Statutory Auditor

Naresh Jani

Auditors

Andertons Europe Ltd
Chartered Certified Accountants
& Registered Auditors
1ST Floor
156 Cromwell Road
South Kensington
SW7 4EF

DCD London & Mutual Plc

Strategic report for the year ended 31 December 2019

The directors present their report together with the audited financial statements for the year ended 31 December 2019.

Principal activities and review of the business

The principal activities of the group are those of property investment and management. There have been no changes in the company's activities in the year under review.

The group profit and loss account is set out on page 7. The group turnover for the year was £ 3,339,616 - (2018 £ 2,917,339). The group profit before tax for the year was £ 182,804 - (2018 — loss £ 163,022).

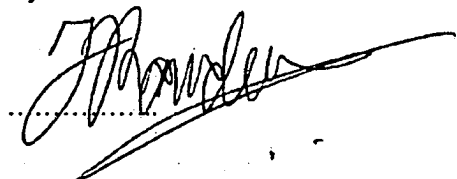
The property management business in 2020 remained stable.

The company monitors cash flow as part of its day to day control procedures. The Board considers cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary.

Results and dividends

The group income statement is set out on page 7 and shows the results for the year. The directors do not recommend payment of a dividend (2018: Nil).

By order of the Board



Director - F RANDERSEE

Date: 29/9/20

DCD London & Mutual Plc

Report of the directors for the year ended 31 December 2019

The directors present their report for the year ended 31 December 2019.

Policy on payment of creditors

It is the company's policy to pay creditors in accordance with the terms of contracts negotiated with suppliers, clients and providers of finance.

Charitable contributions and political donations

During the year the group made donations totalling £ 115,725 (2018 - £ 45,638) to charitable organisations and political contributions during the year of £ 35,000 - (2018 - £ 5,699).

Directors

The directors of the company during the year and their beneficial interests, including family interests, in the issued share capital of the company were as follows:

| | Ordinary shares of £1 each | |
|--------------|-----------------------------------|-------------|
| | 2019 | 2018 |
| S A Randeree | 10,666 | 10,666 |
| J A Manjoo | - | - |
| F Randeree | - | - |

The interests of the directors in the share capital of subsidiary undertakings can be seen in their financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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). 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 estimates that are reasonable and prudent;
- 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 the safeguarding of the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

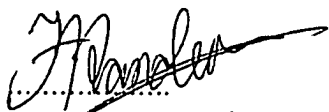
To the knowledge and belief of the directors, there is no relevant information that the company's auditors are not aware of, and the directors have taken all the steps necessary to ensure the directors are aware of any relevant information, and to establish that the company's auditors are aware of the information.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Andertons Europe Ltd have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



Director - F. RANDESEE

Date: 29/9/20

DCD London & Mutual Plc

Report of the independent auditors to the shareholders

Opinion

We have audited the financial statements of DCD London & Mutual PLC (the 'company') for the year ended 31 December 2019 on pages 7 to 27. 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).

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 a Report of the Auditors 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.

Emphasis of Matter

Without qualifying our opinion we draw your attention to note 25 to the financial statements which indicate that the group's/company's net current liabilities exceed its net current assets.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Report of the independent auditors (*Continued*)

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 Auditors' 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 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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.

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion 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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director has been prepared in accordance with applicable legal requirements.

Report of the independent auditors (*Continued*)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained the course of the audit, we have not identified material misstatements in the Strategic Report and Report of the Director.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

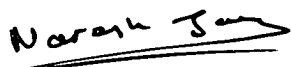
As explained more fully in the Statement of Director's Responsibilities set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Our 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 a Report of the Auditors 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 Report of the Auditors.



Naresh Jani FCCA (Senior Statutory Auditor)
For and on behalf of Andertons Europe Ltd
Statutory Auditors and Chartered Accountants
1st Floor
156 Cromwell road
South Kensington
SW7 4EF

Date: 29/9/20

DCD London & Mutual Plc

Consolidated income statement for the year ended 31 December 2019

| | Note | 2019 £ | 2019 £ | 2018 £ | 2018 £ |
|---|------|-----------|-------------|-----------|-------------|
| Turnover | 2 | | 3,339,616 | | 2,917,339 |
| Administrative expenses | | | (3,003,475) | | (2,679,020) |
| | | | | | |
| Operating profit/(Loss) | 5 | | 336,141 | | 238,319 |
| Loan written off | | | 158,752 | | (157,100) |
| Investments written off | | | 1,278 | | 58,144 |
| | | | | | |
| Profit / (Loss) on ordinary activities before interest | | | 496,171 | | 139,363 |
| Interest receivable | | | 35,692 | | 30,825 |
| Interest payable and similar charges | 6 | | (349,059) | | (333,210) |
| | | | | | |
| Profit / (Loss) on ordinary activities before taxation | | | 182,804 | | (163,022) |
| Taxation | 7 | | (30,407) | | 27,351 |
| | | | | | |
| Profit / (Loss) on ordinary activities after taxation | | | 152,397 | | (135,671) |
| Minority interest | | | (181,092) | | (40,078) |
| | | | | | |
| Profit / (Loss) for the year | | | (28,695) | | (175,749) |

DCD London & Mutual Plc**Consolidated other comprehensive income for the year ended 31 December 2019**

| | Note | 2019 £ | 2018 £ |
|--|-------------|-------------------|-------------------|
| (Loss) for the financial year | | (28,695) | (175,749) |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | <u>(28,695)</u> | <u>(175,749)</u> |

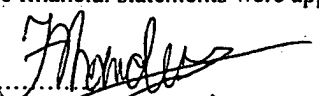
The notes on pages 13 to 25 form part of these financial statements.

DCD London & Mutual Plc

Consolidated balance sheet at 31 December 2018

| | Note | 2019 £ | 2019 £ | 2018 £ | 2018 £ |
|--|------|--------------|-------------------|-------------------|-------------------|
| Fixed assets | | | | | |
| Goodwill | 9 | | (778,828) | | - |
| Tangible assets | 10 | | 23,728,817 | | 22,362,939 |
| Investments | 11 | | 17,102,336 | | 15,681,336 |
| | | | <u>40,052,325</u> | | <u>38,044,275</u> |
| Current assets | | | | | |
| Debtors | 13 | 6,303,621 | | 6,096,422 | |
| Cash at bank and in hand | | 29,933,253 | | 40,409,721 | |
| | | | <u>36,236,874</u> | <u>46,506,143</u> | |
| Creditors: amounts falling due within one year | 14 | (37,072,716) | | (45,055,064) | |
| Net current assets | | | <u>(835,842)</u> | | <u>1,451,079</u> |
| Total assets less current liabilities | | | <u>39,216,483</u> | | <u>39,495,354</u> |
| Creditors: amounts falling due after more than one year | 15 | | (9,871,016) | | (8,949,600) |
| Provisions for liabilities | 16 | | (1,278,672) | | (1,252,529) |
| | | | <u>28,066,795</u> | | <u>29,293,225</u> |
| Capital and reserves | | | | | |
| Called up share capital | 17 | | 2,166,660 | | 2,166,660 |
| Profit and loss account | 18 | | 2,390,967 | | 2,426,249 |
| | | | <u>4,557,627</u> | | <u>4,592,909</u> |
| Shareholders' funds | 19 | | <u>4,557,627</u> | | <u>4,592,909</u> |
| Minority interest – equity | | | <u>23,509,168</u> | | <u>24,700,316</u> |
| | | | <u>28,066,795</u> | | <u>29,293,225</u> |

The financial statements were approved by the Board of Directors and authorised for issue on **29/9/20**



 Director – F RÄNDERER
 Company Registration number: 02896868

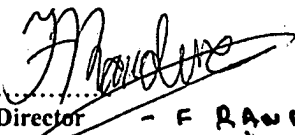
The notes on pages 13 to 24 form part of these financial statements.

DCD London & Mutual Plc

Company balance sheet at 31 December 2019

| | Note | 2019 £ | 2019 £ | 2018 £ | 2018 £ |
|---|------|-------------|--------------------|------------------|--------------------|
| Fixed assets | | | | | |
| Tangible assets | 10 | | 2,279,670 | | 597,916 |
| Investments | 11 | | 5,543,765 | | 3,522,015 |
| | | | <u>7,823,435</u> | | <u>4,119,931</u> |
| Current assets | | | | | |
| Debtors | 13 | 1,955,419 | | 1,313,672 | |
| Cash at bank and in hand | | 115,551 | | 162,828 | |
| | | | <u>2,070,970</u> | <u>1,476,500</u> | |
| Creditors: amounts falling due within one year | 14 | (9,042,079) | | (4,655,593) | |
| Net current liabilities | | | <u>(6,971,109)</u> | | <u>(3,179,093)</u> |
| Total assets less current liabilities | | | <u>852,326</u> | | <u>940,838</u> |
| Creditors | | | | | |
| Amounts falling due more one year | 15 | | (978,150) | | (949,660) |
| | | | <u>(125,824)</u> | | <u>(8,822)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 17 | | 2,166,660 | | 2,166,660 |
| Profit and loss account | 18 | | (2,292,484) | | (2,175,482) |
| Shareholders' funds | 19 | | <u>(125,824)</u> | | <u>(8,822)</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 29/9/20


Director - F RANDEEE

The notes on pages 13 to 24 form part of these financial statements.

DCD London & Mutual Plc

Consolidated statement of changes in equity as at 31 December 2019

| | Notes | Share Capital £ | Retained earnings £ | Total Equity £ |
|--|-------|-----------------------|---------------------------|-------------------|
| At 1 January 2018 | | 2,166,660 | (10,576,814) | (8,410,154) |
| Comprehensive income for the year | | - | (175,749) | (175,749) |
| Changes in fair value | | - | (13,039) | (13,039) |
| Eliminate in group structure | | - | 13,191,851 | 13,191,851 |
| | | <hr/> | <hr/> | <hr/> |
| At 31 December 2018 | | 2,166,660 | 2,426,249 | 4,592,909 |
| Total Comprehensive Income | | - | (28,695) | (28,695) |
| Changes in fair value | | - | (6,587) | (6,587) |
| | | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2019 | | <u>2,166,660</u> | <u>2,390,967</u> | <u>4,557,627</u> |

DCD London & Mutual Plc

Consolidated cash flow statement for the year ended 31 December 2019

| | Note | 2019 £ | 2019 £ | 2018 £ | 2018 £ |
|---|-------------|-------------------|-------------------|-------------------|-------------------|
| Cash flows from operating activities | 21 | | 1,956,422 | | 4,455,413 |
| Interest received | | | 35,692 | | 30,825 |
| Interest paid | | | - | | - |
| Corporation tax (paid) | | | (349,059) | | (333,210) |
| | | | | | |
| Net cash from operating activities | | | 1,643,055 | | 4,153,028 |
| Cash flows from investing activities | | | | | |
| Payments to acquire tangible fixed assets | | (1,692,390) | | (50,955) | |
| Payments to acquire fixed asset investments | | (1,447,750) | | (9,000,000) | |
| Receipts from the sale of investments | | | | | |
| | | | | | |
| Cash flows from financial activities | | (3,140,140) | | (9,050,955) | |
| | | | | | |
| Increase in long term borrowings | | 921,416 | | 949,600 | |
| | | | (2,218,724) | | (8,101,355) |
| | | | | | |
| Increase in cash and cash equivalents | | | (575,669) | | (3,948,327) |
| | | | | | |
| Cash and cash equivalent at the beginning of the year | | | 2,096,801 | | 6,045,128 |
| | 22 | | 1,521,132 | | 2,096,801 |

The notes on pages 13 to 25 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold investment properties, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements incorporate those of DCD London & Mutual Plc and all of its subsidiaries for the financial year. Subsidiaries are consolidated using the acquisition method and their results are included from the date of acquisition. All subsidiaries have prepared financial statements to 31 December 2019.

Turnover

Turnover represents the total sales to external customers at the invoiced value exclusive of value added tax during the year.

Tangible fixed assets

Depreciation is provided on fixed assets from the date of acquisition and up to the date of disposal at the following annual rates which are estimated to write off their cost less estimated net realisable value on a straight line basis over their expected useful lives:

| | | |
|----------------------------------|---|----------------|
| Leasehold improvements | - | 5% per annum |
| Fixtures, fittings and equipment | - | 10% per annum |
| Computer equipment | - | 33⅓% per annum |
| Motor vehicles | - | 25% per annum |

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the term of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the term of the lease.

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

1 Accounting policies (*Continued*)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are initially measured at cost, including transaction costs. Subsequently investment properties whose fair value can be measured reliably without undue cost or effort on an on-going basis are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise. Investment properties whose fair value cannot be measured reliably without undue cost or effort on an on-going basis are included in plant, property and equipment at cost less accumulated depreciation and accumulated impairment losses.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax liabilities and assets are not discounted.

Foreign currency

Foreign currency transactions of individual companies are translated at the rates ruling when they occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. Pension payments are charged against the profits in the year to which they relate.

Dividends

Equity dividends are recognised when they become legally payable.

2 Turnover

Turnover represents rental income, management fees and commission receivable. All amounts originate from the United Kingdom and relate to the core activities of the business.

In the directors' opinion the disclosure of an analysis of results by geographical region would be prejudicial to the interests of the company. This information has therefore not been disclosed.

3 Employees

| | 2019 £ | 2018 £ |
|---|------------------|------------------|
| Staff costs (including directors) consist of: | | |
| Wages and salaries | 1,105,425 | 996,513 |
| Social security costs | 128,426 | 115,333 |
| Other pension costs | 63,803 | 58,367 |
| | <u>1,297,654</u> | <u>1,170,213</u> |

The average number of employees, including directors, employed by the group, during the year was 20 (2018 - 19).

4 Directors

| | 2019 £ | 2018 £ |
|---|----------------|----------------|
| Directors' emoluments consist of: | | |
| Remuneration | 304,058 | 281,686 |
| Company contributions to money purchase pension schemes | 21,300 | 20,600 |
| | <u>325,358</u> | <u>302,286</u> |

5 Operating profit

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| This has been arrived at after charging: | | |
| Depreciation of tangible fixed assets | 43,262 | 40,177 |
| Loss / (profit) on disposal of assets | (1,278) | (58,144) |
| Write down of investments / loans | 158,752 | - |
| Auditors' remuneration – audit services | 24,750 | 23,925 |
| – taxation services | 5,100 | 5,100 |
| Operating leases – plant and machinery | 1,475 | 1,475 |
| – other assets | 93,500 | 93,500 |
| Exchange (gain) / loss | (380) | (1) |
| | <u>292,981</u> | <u>105,033</u> |

6 Interest payable and similar charges

| | 2019 | 2018 |
|---|----------------|----------------|
| | £ | £ |
| Bank charges | 12,569 | 12,550 |
| Interest payable on bank loans and overdrafts | 336,490 | 320,660 |
| | <u>349,059</u> | <u>333,210</u> |

7 Taxation

| | 2019 | 2018 |
|---|---------------|-----------------|
| | £ | £ |
| <i>Current tax</i> | | |
| UK Corporation tax @ 19 % (2018 – 19 %) | 4,264 | - |
| Adjustment in respect of previous year | - | - |
| | <u>4,264</u> | <u>-</u> |
| Total current tax | 4,264 | - |
| Deferred Tax credit | 26,143 | (27,351) |
| | <u>30,407</u> | <u>(27,351)</u> |

The tax assessed for the period is different from the standard rate of corporation tax in the UK. The differences are explained below:

| | 2019 | 2018 |
|---|---------------|-----------------|
| | £ | £ |
| Profit / (Loss) on ordinary activities before tax | 182,804 | (163,022) |
| | <u>34,733</u> | <u>(30,974)</u> |
| Profit / (Loss) on ordinary activities at the standard rate of corporation tax in the UK of 19 % (2018 – 19%) | 34,733 | (30,974) |
| Effects of: | | |
| Expenses not deductible for tax purposes | (28,528) | 5,572 |
| Capital allowances (greater)/less depreciation | 5,864 | 5,102 |
| Non-taxable loss / gain | (14,410) | (13,468) |
| (Utilisation) / creation of tax losses | 6,605 | 33,768 |
| | <u>4,264</u> | <u>-</u> |
| Current tax charge for year | 4,264 | - |

DCD London & Mutual Plc

Notes forming part of the financial statements for the year ended 31 December 2019 (Continued)

Deferred taxation

| | 2019 £ | 2018 £ |
|---|---------------|-----------------|
| Fair value gain | 26,988 | (26,707) |
| Capital allowances / depreciation | (845) | (644) |
| | ----- | ----- |
| Total recognised deferred tax (asset)/Liabilities | <u>26,143</u> | <u>(27,351)</u> |

The company's accounting policy in respect of deferred tax is set out in note 1.

8 Loss for the financial year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The company profit and loss account for the year includes a loss after tax of £ 117,002 (2018 - £ 211,719) which is dealt with in the financial statements of the parent company.

9 Goodwill

| | 2019 £ | 2018 £ |
|------------------------------------|----------------|-----------|
| Negative Goodwill on consolidation | <u>778,828</u> | <u>-</u> |

10 Tangible assets

| Group | Freehold Investment properties £ | Leasehold improvements £ | Fixtures, fittings and equipment £ | Computer equipment £ | Total £ |
|--------------------------|---|--------------------------------|---|----------------------------|-------------------|
| <i>Cost or valuation</i> | | | | | |
| At 1 January 2019 | 22,483,776 | 69,235 | 81,383 | 225,358 | 22,859,752 |
| Additions | 1,682,969 | - | 719 | 8,702 | 1,692,390 |
| | ----- | ----- | ----- | ----- | ----- |
| At 31 December 2019 | <u>24,166,745</u> | <u>69,235</u> | <u>82,102</u> | <u>234,060</u> | <u>24,552,142</u> |
| <i>Depreciation</i> | | | | | |
| At 1 January 2019 | 157,169 | 59,927 | 73,004 | 206,713 | 496,813 |
| Charge for the year | 310,069 | 2,524 | 1,124 | 12,795 | 326,512 |
| | ----- | ----- | ----- | ----- | ----- |
| At 31 December 2019 | <u>467,238</u> | <u>62,451</u> | <u>74,128</u> | <u>219,508</u> | <u>823,325</u> |
| <i>Net book value:</i> | | | | | |
| At 31 December 2019 | <u>23,699,507</u> | <u>6,784</u> | <u>7,974</u> | <u>14,552</u> | <u>23,728,817</u> |
| At 31 December 2018 | <u>22,326,607</u> | <u>9,308</u> | <u>8,379</u> | <u>18,645</u> | <u>22,362,939</u> |

DCD London & Mutual Plc

Notes forming part of the financial statements for the year ended 31 December 2019 (Continued)

| Company | Properties on hand | Computer equipment £ | Fixtures fittings and equipment £ | Total £ |
|--------------------------|-------------------------------|-------------------------------------|--|--------------------|
| <i>Cost or valuation</i> | | | | |
| At 1 January 2019 | 591,966 | 147,668 | 58,556 | 798,190 |
| Additions | 1,682,969 | - | - | 1,682,969 |
| | | | | |
| At 31 December 2019 | 2,274,935 | 147,668 | 58,556 | 2,481,159 |
| | | | | |
| <i>Depreciation</i> | | | | |
| At 1 January 2019 | - | 144,532 | 55,742 | 200,274 |
| Charge for the year | - | 924 | 291 | 1,215 |
| | | | | |
| At 31 December 2019 | - | 145,456 | 56,033 | 201,489 |
| | | | | |
| <i>Net book value</i> | | | | |
| At 31 December 2019 | 2,274,935 | 2,212 | 2,523 | 2,279,670 |
| | | | | |
| At 31 December 2018 | 591,966 | 3,136 | 2,814 | 597,916 |

DCD London & Mutual Plc

Notes forming part of the financial statements for the year ended 31 December 2019 (Continued)

11 Investments

| | Unlisted investments £ |
|---------------------|---------------------------------------|
| <i>Cost</i> | |
| At 1 January 2019 | 15,681,336 |
| Additions | 1,447,750 |
| Depreciation | (26,750) |
| | <hr/> |
| At 31 December 2019 | 17,102,336 |
| | <hr/> |
| <i>Total</i> | |
| At 31 December 2019 | 17,702,336 |
| | <hr/> |
| At 31 December 2018 | 15,681,336 |
| | <hr/> |

| Company | Group undertakings £ | Unlisted investments £ | Total £ |
|--------------------------|-------------------------------------|---------------------------------------|--------------------|
| <i>Cost or valuation</i> | | | |
| At 1 January 2019 | 113,361 | 3,459,854 | 3,573,215 |
| Additions | 600,000 | 1,447,750 | 2,047,750 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2019 | 713,361 | 4,907,604 | 5,620,965 |
| | <hr/> | <hr/> | <hr/> |

Provisions

| | | | |
|------------------------|-------|--------|--------|
| At 1 January 2019 | - | 51,200 | 51,200 |
| Provision for the year | - | 26,000 | 26,000 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2019 | - | 77,200 | 77,200 |
| | <hr/> | <hr/> | <hr/> |

Net book value

| | | | |
|---------------------|---------|-----------|-----------|
| At 31 December 2019 | 713,361 | 4,830,404 | 5,543,765 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2018 | 113,361 | 3,408,654 | 3,522,015 |
| | <hr/> | <hr/> | <hr/> |

12 Subsidiaries

Details of the company's subsidiary undertakings over which the company has control, at 31 December 2019 are as follows:

| Name | Nature of business | %Holding of ordinary shares |
|-----------------------------|---------------------------|------------------------------------|
| Pelham Incorporated Limited | Property management | 100% |
| DCD Properties Limited | Property investment | 15% * |

The subsidiary is incorporated in England and Wales

* managed on a unified basis with other property companies and consolidated.

The net assets at 31 December 2019 and profit before tax for the year ended 31 December 2019 of DCD Properties Limited are £ 27,657,845 (2018 - £ 27,444,796) and £ 244,301 (2018 profit - £ 17,824) respectively and Pelham Incorporated Limited are £ 2,026,963 (2018 - £ 1,970,613) and £ 55,505 (2018 £ 30,873) respectively.

13 Debtors

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|---------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade debtors | 670,372 | 438,025 | - | - |
| Amounts due from related undertakings | 28,507 | 488,086 | 27,510 | 488,086 |
| Amount due from group undertakings | - | - | 94,681 | 18,435 |
| Other debtors | 5,050,421 | 4,819,446 | 1,027,041 | 779,042 |
| Prepayments and accrued income | 554,321 | 350,865 | 24,937 | 28,109 |
| | <u>6,303,621</u> | <u>6,096,422</u> | <u>1,174,169</u> | <u>1,313,672</u> |
| | | | 2019 £ | 2018 £ |

Debtors: amounts falling due after more than one year

| | | |
|-------------------------------------|----------------|----------|
| Amounts due from group undertakings | <u>781,250</u> | <u>-</u> |
|-------------------------------------|----------------|----------|

DCD London & Mutual Plc

Notes forming part of the financial statements for the year ended 31 December 2019 (Continued)

14 Creditors: amounts falling due within one year

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank overdrafts and loans (see note 14) | - | - | - | - |
| Funds and amounts due to clients | 28,412,121 | 38,312,920 | - | - |
| Trade creditors | 131,600 | 84,602 | - | - |
| Amounts due to related companies | 6,176,977 | 4,283,744 | 3,448,027 | 2,239,798 |
| Amounts due to Group undertakings | 1,000,000 | - | 4,608 | 19,579 |
| Other creditors including: | | | | |
| Taxation and social security | 159,539 | 149,616 | 21,632 | 26,524 |
| Accruals and deferred income | 375,154 | 449,835 | 1,546,667 | 595,405 |
| Other creditors & loans | 817,325 | 1,774,347 | 4,021,145 | 1,774,287 |
| | <u>37,072,716</u> | <u>45,055,064</u> | <u>9,042,079</u> | <u>4,655,593</u> |

Funds held for client of £ 28,819,846 (2018: £ 38,627,047) are included in the cash at bank.

15 Creditors falling due in more than one year

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|---------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Loan repayable in 2-5 years (note 1) | 8,000,000 | 8,000,000 | - | - |
| Loan repayable after 5 years (note 2) | 892,866 | - | - | - |
| Other loans (note 3) | 978,150 | 949,600 | 978,150 | 949,660 |
| | <u>9,871,016</u> | <u>8,949,600</u> | <u>978,150</u> | <u>949,660</u> |

Note 1: The loan with Al Rayan Bank PLC which carries interest at 3.1% above base is secured by a fixed charge on the company's properties at Aird House, 117 Inverness Terrace, London W2 6JF.

Note 2: The interest free loan from Seahaven Holdings Ltd are for ten years and are discounted @ 2.5%; they are also unsecured.

Note 3: Other loans have no fixed payments terms and the annual interest rate of 3%.

DCD London & Mutual Plc

Notes forming part of the financial statements for the year ended 31 December 2019 (Continued)

16 Provision for deferred taxation

| | Group 2019 £ | Group 2018 £ |
|--------------------------------|---|---|
| Accelerated Capital allowances | 2,733 | 3,578 |
| Fair value gain | 1,275,939 | 1,248,951 |
| | <u>1,278,672</u> | <u>1,252,529</u> |
| | <u><u>1,278,672</u></u> | <u><u>1,252,529</u></u> |
| | Group Deferred tax £ | Company Deferred tax £ |
| Balance at 1 January 2019 | 1,252,529 | 3,578 |
| Provided during the year | 26,143 | (845) |
| | <u>1,278,672</u> | <u>2,733</u> |
| | <u><u>1,278,672</u></u> | <u><u>2,733</u></u> |

17 Share capital

| | Group 2019 Number | Group 2018 Number | Authorised Company 2019 £ | Company 2018 £ |
|----------------------------|----------------------------------|----------------------------------|--|-------------------------------|
| Ordinary shares of £1 each | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| | <u>5,000,000</u> | <u>5,000,000</u> | <u>5,000,000</u> | <u>5,000,000</u> |
| | <u><u>5,000,000</u></u> | <u><u>5,000,000</u></u> | <u><u>5,000,000</u></u> | <u><u>5,000,000</u></u> |
| | 2019 Number | 2018 Number | Allotted, called up and fully paid 2019 £ | 2018 £ |
| Ordinary shares of £1 each | 2,166,660 | 2,166,660 | 2,166,660 | 2,166,660 |
| | <u>2,166,660</u> | <u>2,166,660</u> | <u>2,166,660</u> | <u>2,166,660</u> |
| | <u><u>2,166,660</u></u> | <u><u>2,166,660</u></u> | <u><u>2,166,660</u></u> | <u><u>2,166,660</u></u> |

18 Profit and loss account

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|----------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| At 1 January 2019 | 2,426,249 | (10,576,814) | (2,175,482) | (1,963,763) |
| Retained (loss) for the year | (28,695) | (175,749) | (117,002) | (211,719) |
| Elimination on group restructure | - | 13,191,851 | - | - |
| Changes in fair value | (6,587) | (13,039) | - | - |
| | <u>2,390,967</u> | <u>2,426,249</u> | <u>2,292,484</u> | <u>(2,175,482)</u> |

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

19 Shareholders' funds

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|----------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| At 1 January 2019 | 4,592,909 | (8,410,154) | (8,822) | 202,897 |
| (Loss) for the year | (28,695) | (175,749) | (117,002) | (211,719) |
| Elimination on group restructure | - | 13,191,851 | - | - |
| Changes in fair value | (6,587) | (13,039) | - | - |
| | <u>4,557,627</u> | <u>4,592,909</u> | <u>(125,824)</u> | <u>(8,822)</u> |

20 Commitments under operating leases

The group had annual commitments under non-cancellable operating leases as set out below:

| | 2019 Land and buildings £ | 2019 Other £ | 2018 Land and buildings £ | 2018 Other £ |
|--------------------------------|--|-----------------------------|--|-----------------------------|
| Operating leases which expire: | | | | |
| Between two to Five year | <u>93,500</u> | <u>1,465</u> | <u>93,500</u> | <u>1,465</u> |

DCD London & Mutual Plc

Notes forming part of the financial statements for the year ended 31 December 2019 (Continued)

21 Reconciliation of (loss) /profit before taxation to cash generated from operations

| | 2019 £ | 2019 £ | 2018 £ | 2018 £ |
|--|-----------|-----------|-------------|-----------|
| Operating gain for the year after exceptional income / expenditure | | 24,012 | | (163,022) |
| Depreciation and amortisation | 43,262 | | 40,177 | |
| Adjustment on group restructure | - | | 13,846,315 | |
| Impairment in investments/ long term loans | 157,474 | | - | |
| Movement in debtors | (207,199) | | (10,071) | |
| Movement in creditors | 1,938,873 | | (9,257,986) | |
| | | 1,932,410 | | 4,618,435 |
| Cash generated from operations | | 1,956,422 | | 4,455,413 |

22 Cash and cash equivalents

The amounts disclosed on the cash flow statement in respect of cash and cash equivalent are in respect of balance sheet amounts

| | 2019 £ | 2018 £ |
|--|--------------|--------------|
| Cash and cash equivalent | 29,933,253 | 40,409,721 |
| Bank overdraft & funds held on behalf of clients | (28,412,121) | (38,312,920) |
| | 1,521,132 | 2,096,801 |

23 Ultimate parent company and controlling party

At 31 December 2019 the company's ultimate parent company and controlling party was Dominion Alliance Holdings Limited, a company incorporated in Seychelles, which is parent of both the smallest and largest groups of which the company is a member.

DCD London & Mutual Plc

Notes forming part of the financial statements for the year ended 31 December 2019 *(Continued)*

24 Related party transactions

Loans from related companies are as follows:

| | 2019 £ | 2018 £ |
|--------------------------------|-----------|-----------|
| Dominion Alliance Holdings Ltd | 1,000,000 | - |

Loans to related companies is as follows:

| | 2019 £ | 2018 £ |
|----------------|-----------|-----------|
| Fan TV Limited | 445,274 | 444,474 |

The directors have considered the requirements of FRS 8 "Related Party Transactions", and have identified the companies detailed below to be related parties. The directors have not provided complete disclosure of the transactions with these companies, as they consider the disclosures to be excessive in length. In the opinion of the directors the failure to disclose all transactions does not have a significant impact on the financial statements. In addition, the directors are of the opinion that the transactions were undertaken on an arms length basis.

The following companies have been identified as additional related parties arising primarily from property management and professional services:

Redbush Tea Company Limited
Tarhouse Management Limited
Richerson Limited

25 Going concern

The group's current liabilities exceed its current assets by £ 835,842 and the company's current liabilities exceed its current assets by £ 6,971,109.