

Registered number: 03699878

DLT INTERNATIONAL (UK) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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DLT INTERNATIONAL (UK) LIMITED

COMPANY INFORMATION

Directors	D L Tamman A Dufresne (resigned 31 March 2017) A N Story J Tamman
Company secretary	A Dufresne
Registered number	03699878
Registered office	70 Portland Place London W1B 1NP
Independent auditors	Gibson Appleby Chartered Accountants 1-3 Ship Street Shoreham by Sea West Sussex BN43 5DH

DLT INTERNATIONAL (UK) LIMITED

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DLT INTERNATIONAL (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors

The directors who served during the year were:

D L Tamman
A Dufresne (resigned 31 March 2017)
A N Story
J Tamman

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

Auditors

The auditors, Gibson Appleby, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

DLT INTERNATIONAL (UK) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Small companies note

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

This report was approved by the board on 29.9.17 and signed on its behalf.

D L Tamman
Director



DLT INTERNATIONAL (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DLT INTERNATIONAL (UK) LIMITED

We have audited the financial statements of DLT International (UK) Limited for the year ended 31 December 2016, set out on pages 5 to 15. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss 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.

DLT INTERNATIONAL (UK) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DLT INTERNATIONAL (UK) LIMITED
(CONTINUED)**

Opinion on other matter 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 those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Matters on which we are required to report by exception

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 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' report and take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



P Watts FCA (Senior statutory auditor)

for and on behalf of
Gibson Appleby

Chartered Accountants

1-3 Ship Street
Shoreham by Sea
West Sussex
BN43 5DH

Date: 29.9.17

DLT INTERNATIONAL (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £	2015 £
Turnover	775,000	600,000
Cost of sales	(87,265)	(187,275)
Gross profit	687,735	412,725
Administrative expenses	(1,122,112)	(1,126,601)
Operating loss	(434,377)	(713,876)
Amounts written off investments	(36,700)	7,270,605
Interest receivable and similar income	51,732	169,668
Interest payable and expenses	(259)	(113,506)
(Loss)/profit before tax	(419,604)	6,612,891
(Loss)/profit for the year	(419,604)	6,612,891

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015: £NIL).

The notes on pages 7 to 15 form part of these financial statements.

DLT INTERNATIONAL (UK) LIMITED
REGISTERED NUMBER: 03699878

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	6	14,170	21,268
Investments	7	114,527	354,037
		<u>128,697</u>	<u>375,305</u>
Current assets			
Debtors: amounts falling due after more than one year	8	1,953,273	1,537,740
Debtors: amounts falling due within one year	8	567,476	956,354
Current asset investments	9	-	7,311
Cash at bank and in hand		109,782	361,459
		<u>2,630,531</u>	<u>2,862,864</u>
Creditors: amounts falling due within one year	10	(292,954)	(352,291)
Net current assets		<u>2,337,577</u>	<u>2,510,573</u>
Total assets less current liabilities		<u>2,466,274</u>	<u>2,885,878</u>
Net assets		<u><u>2,466,274</u></u>	<u><u>2,885,878</u></u>
Capital and reserves			
Called up share capital		250,000	250,000
Profit and loss account		2,216,274	2,635,878
		<u><u>2,466,274</u></u>	<u><u>2,885,878</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

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D L Tamman
 Director

The notes on pages 7 to 15 form part of these financial statements.

DLT INTERNATIONAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

DLT International (UK) Limited is a company limited by shares, incorporated in England and Wales. Its registered office is 70 Portland Place, London, W1B 1NP

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue recognition

Turnover comprises the re-charge of head office costs incurred on behalf of the group. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Office equipment	-	25%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

DLT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

DLT INTERNATIONAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

3. Employees

The average monthly number of employees, including directors, during the year was 9 (2015 - 12).

DLT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. Amounts written off/ back on investments

	2016 £	2015 £
Amounts written off investments	147,820	3,021,647
Group loans forgiven	(111,120)	(10,292,252)
	<u>36,700</u>	<u>(7,270,605)</u>

The company incurs head office costs on behalf of group companies which have been financed by intercompany loans, some of which have not previously been recharged. To correct the position, loans owed of £111,120 (2015: £10,292,252) were waived during the year. Appropriate provision was also made against group company investments. During 2016 an impairment provision has been made against the investment in Robocap LLP (see note 7).

5. Intangible assets

	Patents £
Cost	
At 1 January 2016	20,000
At 31 December 2016	<u>20,000</u>
Amortisation	
At 1 January 2016	20,000
At 31 December 2016	<u>20,000</u>
Net book value	
At 31 December 2016	<u>-</u>
At 31 December 2015	<u>-</u>

DLT INTERNATIONAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

6. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 January 2016	140,486
Additions	2,634
At 31 December 2016	<u>143,120</u>
Depreciation	
At 1 January 2016	119,219
Charge for the year on owned assets	9,732
At 31 December 2016	<u>128,951</u>
Net book value	
At 31 December 2016	<u>14,169</u>
At 31 December 2015	<u>21,268</u>

DLT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. Fixed asset investments

	Investments in subsidiaries £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 January 2016	3,132,000	243,684	3,375,684
Additions	-	50,000	50,000
At 31 December 2016	<u>3,132,000</u>	<u>293,684</u>	<u>3,425,684</u>
Impairment			
At 1 January 2016	3,021,647	-	3,021,647
Charge for the period	78,353	211,157	289,510
At 31 December 2016	<u>3,100,000</u>	<u>211,157</u>	<u>3,311,157</u>
Net book value			
At 31 December 2016	<u>32,000</u>	<u>82,527</u>	<u>114,527</u>
At 31 December 2015	<u>110,353</u>	<u>243,684</u>	<u>354,037</u>

The other fixed asset investment is a 15% equity interest in Robocap LLP. The impairment charge of £211,157 comprises, provision against value of investment £69,378 and the company's share of trading loss £141,779.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity management and contracting
Intagen Limited	England & Wales	Ordinary	100 %	

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Intagen Limited	<u>32,445</u>	<u>(78,209)</u>

DLT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. Debtors

	2016 £	2015 £
Due after more than one year		
Amounts owed by group undertakings	1,953,273	1,537,740
	<u>1,953,273</u>	<u>1,537,740</u>
Due within one year		
Amounts owed by group undertakings	390,763	950,940
Other debtors	152	260
Prepayments and accrued income	176,561	5,154
	<u>567,476</u>	<u>956,354</u>

9. Current asset investments

	2016 £	2015 £
Listed investments	-	7,311
	<u>-</u>	<u>7,311</u>

10. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	31,361	40,020
Amounts owed to group undertakings	66,837	10,093
Other taxation and social security	150,358	84,591
Other creditors	31,748	151,775
Accruals and deferred income	12,650	65,812
	<u>292,954</u>	<u>352,291</u>

DLT INTERNATIONAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

11. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £18,447 (2015 - £196,126). Contributions totalling £nil (2015 - £nil) were payable to the fund at the balance sheet date

12. Transactions with directors

During the year the following transactions took place between directors and the company:

	D Tamman	J Tamman	D Tamman	J Tamman
	2016	2016	2015	2015
	£	£	£	£
Loan from/(to) company at 1 January	(137,501)	(87)	(12,910)	26,226
Staff costs recharged	62,629	-	60,046	-
Other expenses recharged	341,499	10	1,216,978	7,602
Interest charges	-	-	11,941	-
Amounts (withdrawn)/ introduced	(266,985)	-	(1,318,975)	(28,488)
Undrawn salary	(25,133)	-	(100,008)	-
Loan account transfers	-	-	5,427	(5,427)
Loan from/(to) company at 31 December	(25,491)	(77)	(137,501)	(87)

During 2015 interest was charged on overdrawn loan account balances at the HMRC official base rate of 3.25%/3% p.a.

Net loan account balances are included in creditors due within one year.

DLT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

13. Related party transactions

During the year, the company has entered into transactions with other group companies as detailed in the table below.

Any balances due (to)/from group undertakings at the year end are also detailed below.

Unless otherwise stated the loans are made on an interest free basis. Where interest has been charged the rate during the year represents an annual interest rate of 3.25% (until 5th of April 2015)/ 3% (from 6th April 2015) in line with the HMRC official base rate.

	2016 £	2015 £
Intagen Limited, a subsidiary company		
Management fees paid	5,000	10,000
Loan due to subsidiary waived in year	(111,120)	(803,647)
Patio Hotels (UK) Limited, a company under common control		
Interest paid on loan	-	96,903
Loan due to group company waived in the year	-	(9,706,815)
Due from /(to) group undertaking at the year end	384,813	(10,093)
Patio Hotels (Clydebank) Limited, a company under common control		
Loan due to group company waived during year	-	48,790
Patio Hotels (Aberdeen) Limited, a company under common control		
Loan written off in the year	-	267,000
Kingsmills Hotels (Inverness) Limited, a company under common control		
Management charges receivable	775,000	600,000
Amount due (to) / from group undertaking at the year end	(66,837)	944,990
Accrued income at the year end	175,000	-
IG International Limited, a company under common control		
Interest receivable on group loan	-	43,106
DLT Yachting Limited, a company under common control		
Interest receivable on group loan	51,691	37,742
Amount due from group undertaking at the year end	1,953,273	1,537,740
Bluestone Corporation Investment Limited, a company under common control		
Interest receivable on group loan	-	76,841

14. Controlling party

The ultimate parent undertaking is DLT Capital Group (International) Limited, a company incorporated in Gibraltar. The company is ultimately controlled by the Tamman family.