

Report of the Director and
Financial Statements
for the Year Ended 31 December 2020
for
Dynamic Estates Limited

Contents of the Financial Statements
for the Year Ended 31 December 2020

	Page
Company Information	1
Report of the Director	2
Report of the Independent Auditors	3
Income Statement	7
Balance Sheet	8
Notes to the Financial Statements	9

Dynamic Estates Limited
Company Information
for the Year Ended 31 December 2020

Director: R J Z S Ahmed

Registered office: 219 Baker Street
London
NW1 6XE

Registered number: 06739030

Auditors: Benjamin Taylor Diner Limited, Statutory Auditor
120 New Cavendish Street,
London
W1W 6XX

Report of the Director
for the Year Ended 31 December 2020

The director presents his report with the financial statements of the company for the year ended 31 December 2020.

Directors

The directors who have held office during the period from 1 January 2020 to the date of this report are as follows:

R J Z S Ahmed - appointed 21 February 2020

M R Orrell - resigned 24 February 2020

Statement of director's responsibilities

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Statement as to disclosure of information to auditors

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Benjamin Taylor Diner Limited, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:

R J Z S Ahmed - Director

14 December 2021

Report of the Independent Auditors to the Members of
Dynamic Estates Limited

Opinion

We have audited the financial statements of Dynamic Estates Limited (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit 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.

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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information in the 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, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

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

Report of the Independent Auditors to the Members of
Dynamic Estates Limited

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 in the course of the audit, we have not identified material misstatements in the 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; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Director.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page two, 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.

Report of the Independent Auditors to the Members of
Dynamic Estates Limited

Auditors' 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

We considered the nature of the company's business and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We also obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and laws which do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team the opportunities and incentives that may exist within the company for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we assessed the appropriateness of journal entries and other adjustments, and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management as to any actual and or potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Report of the Independent Auditors to the Members of
Dynamic Estates Limited

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 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.

Malcolm Adamson FCCA (Senior Statutory Auditor)
for and on behalf of Benjamin Taylor Diner Limited, Statutory Auditor
120 New Cavendish Street,
London
W1W 6XX

14 December 2021

Income Statement
for the Year Ended 31 December 2020

		31.12.20	31.12.19
	Notes	£	£
Turnover		4,969,470	5,824,561
Cost of sales		<u>(1,769,962)</u>	<u>(1,487,148)</u>
Gross profit		3,199,508	4,337,413
Administrative expenses		<u>(381,031)</u>	<u>(773,159)</u>
		2,818,477	3,564,254
Other operating income		<u>28,643</u>	<u>8,232</u>
Operating profit	4	<u>2,847,120</u>	<u>3,572,486</u>
Interest receivable and similar income		<u>1,318</u>	<u>92</u>
		2,848,438	3,572,578
Interest payable and similar expenses		<u>-</u>	<u>(504)</u>
Profit before taxation		2,848,438	3,572,074
Tax on profit	5	<u>(522,580)</u>	<u>(676,762)</u>
Profit for the financial year		<u>2,325,858</u>	<u>2,895,312</u>

Dynamic Estates Limited (Registered number: 06739030)

Balance Sheet
31 December 2020

	Notes	31.12.20 £	31.12.19 £
Fixed assets			
Tangible assets	6	1,291	-
Leasehold Investment Property	7	164,630,000	164,630,000
		<u>164,631,291</u>	<u>164,630,000</u>
Current assets			
Debtors	8	6,987,633	6,399,639
Cash at bank		185,282	126,139
		<u>7,172,915</u>	<u>6,525,778</u>
Creditors			
Amounts falling due within one year	9	(79,385,267)	(81,062,697)
Net current liabilities		<u>(72,212,352)</u>	<u>(74,536,919)</u>
Total assets less current liabilities		92,418,939	90,093,081
Provisions for liabilities	10	(7,405,421)	(7,405,421)
Net assets		<u>85,013,518</u>	<u>82,687,660</u>
Capital and reserves			
Called up share capital	11	1	1
Non-distributable fair value	12	58,749,579	58,749,579
Retained earnings	12	26,263,938	23,938,080
Shareholders' funds		<u>85,013,518</u>	<u>82,687,660</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the director and authorised for issue on 14 December 2021 and were signed by:

R J Z S Ahmed - Director

Notes to the Financial Statements
for the Year Ended 31 December 2020

1. Statutory information

The Company is a private company limited by shares, incorporated in England and Wales. Its registered office is 219 Baker Street, London, NW1 6XE.

The company's principal business activity is that of the letting of property.

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Related party exemption

As the company is a wholly owned subsidiary of Farmont Baker Street Limited and the group publishes consolidated accounts, it has taken advantage of the exemptions contained in FRS 102 Section 1a and has therefore not disclosed transactions with entities which form part of the group.

Copies of the Farmont Baker Street Limited group financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Turnover

Revenue represents rents receivable during the period, and is measured at the fair value of the consideration received or receivable, net of discounts and Value Added Tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

2. Accounting policies - continued

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

After making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Government grants

The company accounts for government grants on an accruals basis. During the year ended 31 December 2020, the company recognised grant income receivable from the UK Government's Coronavirus Job Retention Scheme in other operating income.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

2. Accounting policies - continued

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

3. Employees and directors

The average number of employees during the year was 10 (2019 - 11) .

4. Operating profit

The operating profit is stated after charging:

	31.12.20	31.12.19
	£	£
Depreciation - owned assets	208	-
Auditors' remuneration	<u>6,600</u>	<u>4,800</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

5. Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.12.20	31.12.19
	£	£
Current tax:		
UK corporation tax	522,580	676,762
Tax on profit	<u>522,580</u>	<u>676,762</u>

6. Tangible fixed assets

	Plant and machinery etc £
Cost	
Additions	1,499
At 31 December 2020	<u>1,499</u>
Depreciation	
Charge for year	208
At 31 December 2020	<u>208</u>
Net book value	
At 31 December 2020	<u>1,291</u>

7. Leasehold investment property

	Total £
Fair value	
At 1 January 2020	
and 31 December 2020	<u>164,630,000</u>
Net book value	
At 31 December 2020	<u>164,630,000</u>
At 31 December 2019	<u>164,630,000</u>

The leasehold investment property was valued at £164,630,000 on 31st December 2015, on an open market value basis, by Harrods Estates.

The director R.J.Z.S. Ahmed considers there to be no material change in the fair value of the leasehold investment property as at 31st December 2020.

The historical cost of the property is £98,475,000.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

8. Debtors: amounts falling due within one year

	31.12.20	31.12.19
	£	£
Trade debtors	361,826	627,033
Amounts owed by group undertakings	5,183,019	5,208,441
Other debtors	1,442,788	564,165
	<u>6,987,633</u>	<u>6,399,639</u>

Amounts owed by group undertakings are unsecured, repayable on demand and interest free.

9. Creditors: amounts falling due within one year

	31.12.20	31.12.19
	£	£
Trade creditors	511,656	619,257
Amounts owed to group undertakings	76,847,297	78,395,295
Taxation and social security	284,768	121,762
Other creditors	1,741,546	1,926,383
	<u>79,385,267</u>	<u>81,062,697</u>

Amounts owed to group undertakings are unsecured, repayable on demand and interest free.

10. Provisions for liabilities

	31.12.20	31.12.19
	£	£
Deferred tax		
Accelerated capital allowances	<u>7,405,421</u>	<u>7,405,421</u>

**Deferred
tax
£**

Balance at 1 January 2020	<u>7,405,421</u>
Balance at 31 December 2020	<u>7,405,421</u>

11. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.20	31.12.19
			£	£
1	Ordinary A shares of £1 each	1	<u>1</u>	<u>1</u>

Called-up share capital represents the nominal value of shares that have been issued.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

12. **Reserves**

	Retained earnings £	Non-distributable fair value £	Totals £
At 1 January 2020	23,938,080	58,749,579	82,687,659
Profit for the year	2,325,858		2,325,858
At 31 December 2020	<u>26,263,938</u>	<u>58,749,579</u>	<u>85,013,517</u>

Retained earnings reserve

The retained earnings reserve records retained earnings and accumulated losses.

Non distributable fair value reserve - Leasehold Investment Property revaluations

The fair value reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

13. **Ultimate controlling party**

The company is wholly owned by Farmont Baker Street Limited, a company incorporated in England.

The director regards, Landmark Network Real Estate LLC a company incorporated in the United Arab Emirates as the ultimate holding company and controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.