

Registered number: 08441276

## **QUINTAIN LDO (NO.2) LIMITED**

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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**QUINTAIN LDO (NO.2) LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	J M E Saunders P S Slavin
<b>Company secretary</b>	F V Heazell
<b>Registered number</b>	08441276
<b>Registered office</b>	180 Great Portland Street London W1W 5QZ
<b>Independent auditor</b>	KPMG LLP 15 Canada Square Canary Wharf E14 5GL

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**QUINTAIN LDO (NO.2) LIMITED**

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**QUINTAIN LDO (NO.2) LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The Directors present their report and the financial statements of Quintain LDO (No.2) Limited (the 'Company') for the year ended 31 December 2022.

**Directors**

The Directors who served during the year and up until the date of signing were:

J M E Saunders  
P S Slavin

**Disclosure of information to Auditor**

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

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have 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 auditor is aware of that information.

**Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor KPMG LLP will resign after the 2022 year end.

**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 and signed on its behalf.

DocuSigned by:  
*Philip Slavin*  
5880AFC216874AB...

**P S Slavin**  
Director

Date: 25 August 2023

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**QUINTAIN LDO (NO.2) LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors are responsible for preparing the Directors' report and the financial statements of Quintain LDO (No.2) Limited (the 'Company') in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements of Quintain LDO (No.2) Limited (the 'Company') 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 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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**QUINTAIN LDO (NO.2) LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUINTAIN LDO (NO.2) LIMITED**

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**Opinion**

We have audited the financial statements of Quintain LDO (No.2) Limited ("the Company") for the year ended 31 December 2022 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Material uncertainty related to going concern**

We draw attention to note 1.1 to the financial statements which indicates that there is uncertainty over the continued availability of sufficient funding to the Group through debt refinancing or an equity injection, prior to their extended maturity dates up to December 2023. These events and conditions, along with the other matters explained in note 1.1, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

**Going concern**

The directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Our conclusion based on our financial statements audit work: we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

**Fraud and breaches of laws and regulations - ability to detect**

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

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**QUINTAIN LDO (NO.2) LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUINTAIN LDO (NO.2) LIMITED**

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As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as debtors impairment. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company has no revenue. We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation. These included those posted to unusual accounts;
- evaluating the business purpose of significant unusual transactions.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with management (as required by auditing standards), and discussed with management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of litigation or impacts on the Company's ability to operate. We identified the following areas as those most likely to have such an effect: health and safety and anti-bribery legislation, recognising the nature of Company's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

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**QUINTAIN LDO (NO.2) LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUINTAIN LDO (NO.2) LIMITED**

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Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that reports has been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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 take advantage of the small companies exemption in preparing director's report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on Page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).



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**QUINTAIN LDO (NO.2) LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUINTAIN LDO (NO.2) LIMITED**

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**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Rajan Thakrar (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

Date: 25 August 2023

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**QUINTAIN LDO (NO.2) LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	Note	2022 £	2021 £
<b>Operating profit</b>		-	-
Taxation	5	(456,761)	1,067,232
<b>(Loss)/profit for the financial year</b>		<u>(456,761)</u>	<u>1,067,232</u>
 Other comprehensive income		 -	 -
<b>Total comprehensive (loss)/income for the year</b>		<u><b>(456,761)</b></u>	<u><b>1,067,232</b></u>

The notes on pages 10 to 17 form part of these financial statements.

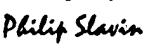
**QUINTAIN LDO (NO.2) LIMITED**  
**REGISTERED NUMBER: 08441276**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	6	<u>1</u>	<u>1</u>
		1	1
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	7	1,523,368	1,553,118
Debtors: amounts falling due within one year	7	<u>921,148</u>	<u>1,348,159</u>
		2,444,516	2,901,277
Creditors: amounts falling due within one year	8	<u>(11,602,239)</u>	<u>(11,602,239)</u>
<b>Net current liabilities</b>		<u>(9,157,723)</u>	<u>(8,700,962)</u>
<b>Total assets less current liabilities</b>		<u>(9,157,722)</u>	<u>(8,700,961)</u>
<b>Net liabilities</b>		<u>(9,157,722)</u>	<u>(8,700,961)</u>
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Profit and loss account		<u>(9,157,723)</u>	<u>(8,700,962)</u>
<b>Shareholder's deficit</b>		<u>(9,157,722)</u>	<u>(8,700,961)</u>

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

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

DocuSigned by:  
  
5880AFC218874AB...  
**P S Slavin**  
Director

Date: 25 August 2023

The notes on pages 10 to 17 form part of these financial statements.

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**QUINTAIN LDO (NO.2) LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	Called up share capital	Profit and loss account	Shareholder's deficit
	£	£	£
At 1 January 2022	1	(8,700,962)	(8,700,961)
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(456,761)	(456,761)
<b>Total comprehensive loss for the year</b>	-	(456,761)	(456,761)
<b>At 31 December 2022</b>	<b>1</b>	<b>(9,157,723)</b>	<b>(9,157,722)</b>

The notes on pages 10 to 17 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	Called up share capital	Profit and loss account	Shareholder's deficit
	£	£	£
At 1 January 2021	1	(9,768,194)	(9,768,193)
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,067,232	1,067,232
<b>Total comprehensive income for the year</b>	-	1,067,232	1,067,232
<b>At 31 December 2021</b>	<b>1</b>	<b>(8,700,962)</b>	<b>(8,700,961)</b>

The notes on pages 10 to 17 form part of these financial statements.

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QUINTAIN LDO (NO.2) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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1. Accounting policies

1.1 Basis of preparation of financial statements

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101').

*In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of UK-adopted international accounting standards ('UK-Adopted IFRSs'), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. The financial statements have been prepared on a going concern basis under the historical cost convention, except that investment properties are stated at their fair value.*

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of paragraphs 10(d), 38A, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

The Company is a member of the Bailey Acquisitions Limited group ('the Group').

As at 31 December 2022 the Company has net current liabilities of £9,157,723 and net liabilities of £9,157,722. The Company has payables due to other Group companies as disclosed in note 8. Therefore, in assessing the Company's ability to continue as a going concern the Directors have considered the ability of the Group to continue as a going concern.

The shareholders of the General Partner and Limited Partners are presently in discussions in regards to the future of these respective companies that, if successfully concluded, will give rise to a change in their ownership. *The members of the Partnership have no reason to believe that sufficient funding will not remain available to the Partnership, or that the Partners would not remain as a going concern either under different ownership of the General Partner and Limited Partners or as part of the Bailey Group.*

The principal activity of the company is to as an intermediate investment company in the group headed by Bailey Acquisitions Limited, the first parent company to prepare consolidated financial statements. The company's cash flows are therefore dependent on the continuation of the group's operations.

The company meets its day to day working capital requirements from operational cash flows and intercompany balances with the group headed by Bailey Acquisitions Limited.

To assess the Group's ability to continue as a going concern, cash flows were modelled for a period of at least 12 months from the date of approving these financial statements and downside scenarios were applied to the Group's base case business plan. The stresses applied included further interest rate increases, increased equity requirements for refinancing at lower loan-to-values ("LTVs") and the requirement for asset sale proceeds.

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QUINTAIN LDO (NO.2) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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1. Accounting policies (continued)

(continued)

The Group is financed through shareholder and external debt. The cash flow forecasts considered the ongoing financial obligations of those loans and the need to refinance within the next 12 months from the date of approving these financial statements, together with the fact the parent company, LSREF IV Bailey Topco Limited, has indicated to the Group their intention that for at least 12 months from the date of approval of these financial statements, it will continue to make equity commitments available as required by the Group. LSREF IV Bailey TopCo Limited has also indicated that it does not intend to seek repayment of the amounts currently due to it, which at 31 December 2022 amounted to £1.3bn, during the going concern assessment period.

As at 31 December 2022, 65% by value of the gross drawn external debt facilities were repayable within 12 months. This leaves the main corporate facility (representing 51% of gross external debt at 31 December 2022) which is due to expire in December 2023 ("corporate facility"), and two smaller BTR investment facilities (representing a further 9%) which expire in December 2023. The corporate facility was extended by a further year to December 2023 in December 2022. At the time of approving these financial statements, the Group is running a full external refinance process, however, while the directors fully expect this to complete in an orderly manner, this is not currently fully documented or agreed. Since 31 December 2022, two BTR facilities have either been refinanced or extended representing 13% of the gross drawn facilities.

The loan facilities contain a number of financial based covenants that are tested on a periodic basis. At the date of approving these financial statements, the Group remains in full compliance with these covenants. The most sensitive financial covenant measures are those related to LTV ratios, particularly as it relates to the corporate mezzanine facility of £225m (at 31 December 2022). The covenant is next measured based on December 2023 valuations and it is possible that values will reduce and the LTV covenants will be exceeded. The Company has the ability to avoid the breach with further equity injections and is also pursuing a number of other asset sales in order to reduce the amounts drawn. The Group continues to closely monitor its LTV position and is in regular communication with its lenders accordingly.

The Group's ongoing discussions in Q1 and Q2 of 2023 demonstrates the investment liquidity available to it. The BTR investment market is widely banked, providing significant refinance liquidity to address the required facility maturities. Strong appetite exists from "high street" investment banks and insurance lenders and the lender environment is well known to Directors from previous financings.

Based on the Directors' enquiries of the Board of the Group, they are confident that required refinancing can be achieved and there remains sufficient undrawn capital committed by the owner. However, there can be no certainty this will be the case. Should this not be the case then the Group will request an equity injection from its ultimate parent or can seek to dispose of certain assets.

Given the ongoing financial obligations of the Group and the potential for valuation reductions putting pressure on LTV covenants, as with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that the parent company support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on the above, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the continued availability of sufficient funding to the Company through debt refinancing or an equity injection prior to their extended maturity dates up to December 2023, represent a material uncertainty that may cast significant doubt upon the

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**QUINTAIN LDO (NO.2) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. Accounting policies (continued)**

**(continued)**

Company's ability to continue as a going concern and therefore to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

**1.2 Investments**

Investments are measured at cost less any provision for impairment in value.

**1.3 Taxation**

The Company acts as the Limited Partner for London Designer Outlet Limited Partnership (the 'LP' or the 'Partnership'). For UK purposes, the Partnership is treated as being tax transparent. The Partnership is not therefore separately taxable as all net income, net losses, capital gains and capital losses of the Partnership flow through each individual Partner.

Accordingly, the provision for taxation or deferred taxation is made in these financial statements.

Tax on the profit and loss for the year comprises current and deferred tax. Tax is recognised in profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is also recognised directly in equity or other comprehensive income.

Current or deferred taxation assets and liabilities are not discounted.

**(i) Current tax**

Current tax is the expected tax payable or receivable on taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

**(ii) Deferred tax**

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets and liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the assets or liabilities, using tax rates enacted or substantively enacted at the balance sheet.

Deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised.

**1.4 Debtors**

Debtors are initially recognised at their fair value plus transaction costs and are subsequently measured at amortised cost less allowance for credit losses/impairment of bad debts. The Company measures impairments at an amount equal to lifetime expected credit losses (ECL).

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**QUINTAIN LDO (NO.2) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. Accounting policies (continued)**

**1.5 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements under FRS101 requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities as at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements that are not readily apparent from other sources. However, the actual results may differ from these estimates. The Company must make judgements on the recoverability of its debtors at the reporting date and has a policy of providing for impairment based on the expected credit loss.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

**3. Employees**

The Company has no employees other than the directors. The Company does not remunerate its Directors directly. The directors provide services to a group of over 100 UK companies and therefore the amount of remuneration for the directors' qualifying services is clearly inconsequential and so has not been disclosed.

**4. Fees paid to the Auditor**

Fees of £2,670 (2021: £2,000) paid to the Company's Auditor, KPMG LLP for the audit of the Company have been wholly borne by a fellow subsidiary, Quintain Services Limited.

No non-audit fees have been paid to the auditor or its affiliates.



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**QUINTAIN LDO (NO.2) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**5. Taxation**

	2022 £	2021 £
Group relief receivable	-	(427,011)
Adjustments in respect of prior periods	427,011	-
<b>Total current tax</b>	<b>427,011</b>	<b>(427,011)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	449,279	(351,938)
Adjustments in respect of prior periods	(561,407)	-
Effect of tax rate change on opening balance	141,878	(288,283)
<b>Total deferred tax</b>	<b>29,750</b>	<b>(640,221)</b>
<b>Total tax charge/(credit) for the year</b>	<b>456,761</b>	<b>(1,067,232)</b>

**Factors affecting tax charge for the year**

	2022 £	2021 £
Profit on ordinary activities before tax	-	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2021 - 19%)	-	-
<b>Effects of:</b>		
Share of partnership results	449,279	(631,701)
Prior year adjustment in respect of current tax	427,011	-
Prior year adjustment in respect of deferred tax	(561,407)	-
Remeasurement of deferred tax for changes in tax rates	141,878	(352,922)
Deferred tax not recognised	-	(82,609)
<b>Total tax charge/(credit) for the year</b>	<b>456,761</b>	<b>(1,067,232)</b>

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**QUINTAIN LDO (NO.2) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**5. Taxation (continued)**

**Factors that may affect future tax charges**

The Group in which the company is a member has a policy of paying consideration for the transfer of capital gains to fellow group companies to be offset by tax losses. The Group in which the company is a member has a policy of claiming / surrendering group relief for appropriate consideration.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

**6. Investments**

	<b>Investments in associated companies £</b>
At 1 January 2022	<b>1</b>
<b>Net book value</b>	
At 31 December 2022	<b>1</b>
At 31 December 2021	<b>1</b>

The company holds an investment of £10,000,000 in London Designer Outlet Partnership ("LP"), a limited partnership registered in England and Wales with 180 Great Portland Street, London, United Kingdom, W1W 5QZ. This represents a 49.95% holding in the partnership. The LP has an accounting reference date of 31 December and reports under FRS 101. As at the year end the value of the investment had been written down to £1.

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**QUINTAIN LDO (NO.2) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Debtors**

	2022 £	2021 £
<b>Due after more than one year</b>		
Deferred tax asset (see note 9)	1,523,368	1,553,118
	<u>1,523,368</u>	<u>1,553,118</u>
	2022 £	2021 £
<b>Due within one year</b>		
Group relief debtors	921,148	1,348,159
	<u>921,148</u>	<u>1,348,159</u>

**8. Creditors: amounts falling due within one year**

	2022 £	2021 £
Amounts owed to group undertakings	11,602,239	11,602,239
	<u>11,602,239</u>	<u>11,602,239</u>

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

**9. Deferred taxation**

	2022 £	2021 £
At beginning of year	1,553,118	912,897
Charged to profit or loss	(29,750)	640,221
<b>At end of year</b>	<u>1,523,368</u>	<u>1,553,118</u>

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**9. Deferred taxation (continued)**

The deferred tax asset is made up as follows:

	2022 £	2021 £
Revenue tax losses	1,523,368	337,181
Unrealised investment property losses	-	1,215,937
	<u>1,523,368</u>	<u>1,553,118</u>

The company has a recognised net deferred tax asset of £1.52m (2021: £1.55m) comprising of unrealised losses on investment property and revenue tax losses carried forward.

**10. Share capital**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

Full details of the rights and obligations attached to the ordinary shares are contained in the Company's articles of association. These rights include an entitlement to receive the Company's annual report and financial statements, to attend and speak at general meetings of the Company, to appoint proxies and to exercise voting rights. Holders of ordinary shares may also receive dividends and may receive a share of the Company's assets on the Company's liquidation. There are no restrictions on the transfer of ordinary shares.

**11. Controlling party**

At 31 December 2022 the Company's immediate parent was Quintain Limited, registered address 180 Great Portland Street, London W1W 5QZ, a subsidiary of Bailey Acquisitions Limited, registered address 44 Esplanade, St Helier, Jersey, JE4 9WG. The groups in which results of the Company are consolidated are those headed by Bailey Acquisitions Limited and Quintain Finance Limited, both incorporated in Jersey, registered address 44 Esplanade, St Helier, Jersey, JE4 9WG. Group financial statements are available on request from 180 Great Portland Street, London W1W 5QZ. The ultimate controlling party is LSREF IV Bailey TopCo Limited, an entity incorporated in Bermuda.