

Company Registration No. 07559072

Dorrington Southwark Limited

Report and Financial Statements

31 December 2012

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Dorrington Southwark Limited

Report and financial statements 2012

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Dorrington Southwark Limited

Report and financial statements 2012

Officers and professional advisers

Directors

A Giblin
R Harris
J P Kennedy
A J Leibowitz
T Moross
B Thompson

Secretary

Hanover Management Services Limited

Registered Office

16 Hans Road
London
SW3 1RT

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

Dorrington Southwark Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2012

This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption

Business review and principal activities

The company's principal activity is property investment. There have not been any significant changes in the company's principal activities during the period under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

The results for the year are set out on page 6 of the financial statements. The profit for the year is £255,007 (2011 - £268,412). The position of the company at the year end is set out on page 8.

The company has sold the sole investment property in March 2013 at value in excess of 31st December 2012 valuation amount. The directors' current intention is to continue seek new investment opportunities.

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Dorrington Southwark Limited

Directors' report (continued)

Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2012

Directors

The present directors shown on page 1 All the directors served throughout the year

Disclosure of information to auditor

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

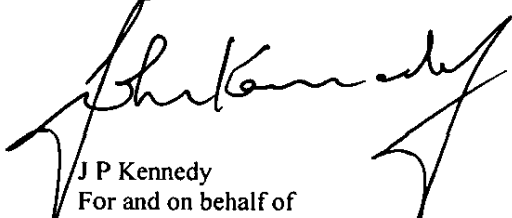
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Auditor

Deloitte LLP were appointed during the period and they have agreed to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board



J P Kennedy
For and on behalf of
Hanover Management Services Limited
Secretary

17th May 2013

Independent auditor's report to the members of Dorrington Southwark Limited

We have audited the financial statements of Dorrington Southwark Limited for the year ended 31 December 2012 which comprise the profit and loss account, the statement of total recognised gains and losses, the reconciliation of movements in shareholders' funds, the balance sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of 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 annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the period 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.

Opinion on matters prescribed in the Companies Act 2006

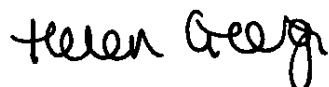
In our opinion the information in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Dorrington Southwark Limited (continued)

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 take advantage of the small companies exemption in preparing the directors' report



Helen George (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

17th May 2013

Dorrington Southwark Limited

Profit and loss account

Period ended 31 December 2012

		Year ended 31 December 2012 £	10 March 2011 to 31 December 2011 £
	Notes		
Turnover	1	1,146,016	874,555
Direct property expenses		(197,845)	(92,882)
Gross profit		948,171	781,673
Administrative expenses		(5,452)	(4,727)
Operating profit	3	942,719	776,946
Interest receivable and similar income	4	30	7
Interest payable and similar charges	5	(610,364)	(414,972)
Profit on ordinary activities before taxation		332,385	361,981
Tax on profit on ordinary activities	6	(77,378)	(93,569)
Profit on ordinary activities after taxation retained for the year	13	255,007	268,412

All activities derive from continuing operations

The historical cost results are the same as the reported results, accordingly no note of historical cost profits and losses has been prepared

Dorrington Southwark Limited

Statement of total recognised gains and losses Period ended 31 December 2012

		Year ended 31 December 2012	10 March 2011 to 31 December 2011
	Notes	£	£
Profit for the financial year	13	255,007	268,412
Surplus on revaluation of investment properties	7, 13	1,517,057	806,043
Total recognised gains for the year		1,772,064	1,074,455

Reconciliation of movements in shareholders' funds Period ended 31 December 2012

		Year ended 31 December 2012	10 March 2011 to 31 December 2011
	Note	£	£
Profit for the financial year	13	255,007	268,412
Share capital subscribed	12	-	1
Other recognised gains relating to the year	13	1,517,057	806,043
Net increase in shareholders' funds		1,772,064	1,074,456
Opening shareholders' funds		1,074,456	-
Closing shareholders' funds		2,846,520	1,074,456

Dorrington Southwark Limited

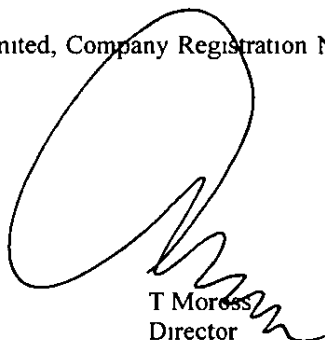
Balance sheet 31 December 2012

	Notes	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Investment properties	7		23,500,000		21,500,000
Current assets					
Debtors amounts falling due within one year	8	482,164		348,888	
Debtors amounts falling due after more than one year	8	223,162		250,192	
		<u>705,326</u>		<u>599,080</u>	
Creditors: amounts falling due within one year	9	<u>(422,216)</u>		<u>(617,455)</u>	
Net current assets/(liabilities)			<u>283,110</u>		<u>(18,375)</u>
Total assets less current liabilities			23,783,110		21,481,625
Creditors: amounts falling due after more than one year	10		(20,886,173)		(20,383,591)
Provisions for liabilities	11		<u>(50,417)</u>		<u>(23,578)</u>
Net assets			<u>2,846,520</u>		<u>1,074,456</u>
Capital and reserves					
Called up share capital	12		1		1
Revaluation reserve	13		2,323,100		806,043
Profit and loss account	13		<u>523,419</u>		<u>268,412</u>
Shareholders' funds			<u>2,846,520</u>		<u>1,074,456</u>

The financial statements of Dorington Southwark Limited, Company Registration No 07559072 were approved by the Board of Directors on 17th May 2013



A J Leibowitz
Director



T Moross
Director

Dorrington Southwark Limited

Notes to the Financial Statements Period ended 31 December 2012

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards except for the accounting of depreciation of investment properties as discussed below. The particular accounting policies adopted are described below. They have been applied consistently throughout the period.

After due consideration of the recent economic climate, and the continued challenges within the real estate sector, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This is based on their assessment of the company's current profitability and positive cash flow. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

Accounting convention

The financial statements are prepared under the historical cost convention except for the revaluation of investment properties as noted below.

Investment properties

Investment properties are revalued at the end of each accounting period. The aggregate surplus or deficit, in so far as it is not deemed to be permanent, is transferred to a revaluation reserve.

In accordance with Statement of Standard Accounting Practice No. 19 no depreciation is provided in respect of investment properties. This constitutes a departure from the statutory rules requiring fixed assets to be depreciated over their economic useful lives and is necessary to enable the financial statements to give a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Disposals of investment properties are recognised on completion.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Taxation

Corporation tax is payable on taxable profits at current rates.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Turnover

Turnover excludes value added tax (where applicable), represents rents receivable and arises wholly within the United Kingdom. Where a rent free period is offered as an incentive to sign a lease, the rent is recognised over the entire lease and hence is accrued for.

Sales are invoiced when the goods are delivered or services have been performed. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Dorrington Southwark Limited

Notes to the Financial Statements Period ended 31 December 2012

2. Information regarding directors and employees

None of the directors received any emoluments for their services to the company during the period. There were no other employees.

3. Operating profit

	Year ended 31 December 2012 £	10 March 2011 to 31 December 2011 £
Operating profit is stated after charging Auditors' remuneration. Fees paid to the company's auditor for the audit of the company's annual accounts	2,500	1,500

There are no non audit fees included within the stated operating profit figure for the period.

4 Interest receivable and similar income

	Year ended 31 December 2012 £	10 March 2011 to 31 December 2011 £
Other interest	30	7

5. Interest payable and similar charges

	Year ended 31 December 2012 £	10 March 2011 to 31 December 2011 £
Amounts owed to group undertakings	610,364	414,972

Dorrington Southwark Limited

Notes to the Financial Statements Period ended 31 December 2012

6. Tax charge on profit on ordinary activities

	Year ended 31 December 2012 £	10 March 2011 to 31 December 2011 £
UK corporation tax charge on profit at 26% and 24% (2011 - 28% and 26%)	55,132	69,991
Prior period adjustment	(4,593)	-
Current tax	50,539	69,991
Deferred tax – current year	22,448	23,578
– current year	4,391	-
Total	77,378	93,569

Finance Act 2012 provided for a reduction in the main rate of corporation tax to 23% effective from 1 April 2013. The Government has also indicated that it intends to enact future reductions in the main corporation tax rate going forward, reducing in increments and intended to reach 20% effective from 1 April 2015.

The future rate changes are not expected to have a material impact on the financial statements.

	Year ended 31 December 2012 £	10 March 2011 to 31 December 2011 £
Profit on ordinary activities before tax	332,385	361,981
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK	81,425	94,651
Capital allowances in excess of depreciation	(26,293)	(24,660)
Prior period adjustment	(4,593)	-
Current tax charge for the year	50,539	69,991

7. Investment properties

	Freehold land and buildings £
At valuation	
At 1 January 2012	21,500,000
Additions	482,943
Surplus on revaluation	1,517,057
At 31 December 2012	23,500,000

Investment properties were valued as at 31 December 2012 at an open market value of £23,500,000 (2011 - £21,500,000) by those directors of the immediate parent company who are members of the Royal Institute of

Dorrington Southwark Limited

Notes to the Financial Statements Period ended 31 December 2012

Chartered Surveyors The historical cost of investment properties amounted to £21,176,900 (2011 - £20,693,957)

8. Debtors

	31 December 2012 £	31 December 2011 £
Amounts falling due within one year:		
Trade debtors	393,708	277,725
Other debtors	88,456	71,163
	<u>482,164</u>	<u>348,888</u>
Amounts falling due after more than one year:		
Other debtors	<u>223,162</u>	<u>250,192</u>

9. Creditors: amounts falling due within one year

	31 December 2012 £	31 December 2011 £
Trade creditors	110,020	146,397
Accruals and deferred income	312,196	471,058
	<u>422,216</u>	<u>617,455</u>

10. Creditors: amounts falling due after more than one year

	31 December 2012 £	31 December 2011 £
Amounts due to immediate parent undertaking	<u>20,886,173</u>	<u>20,383,591</u>

The loan from the immediate parent company is repayable after more than one year with no fixed repayment date. The loan is unsecured and interest is charged at a commercial rate.

11. Provisions for liabilities

	31 December 2012 £	31 December 2011 £
Deferred taxation		
Capital allowances in excess of depreciation		
Balance at 1 January	23,578	-
Charge for the period	22,448	23,578
Prior period adjustment	4,391	-
	<u>50,417</u>	<u>23,578</u>
Balance at 31 December		

No provision is made for corporation tax of £412,442 (2011 - £213,601) on potential capital gains arising from the future sale of investment properties at their revalued amounts.

Dorrington Southwark Limited

Notes to the Financial Statements Period ended 31 December 2012

12. Called up share capital

	31 December 2012 £	31 December 2011 £
Allotted, called up and fully paid: 1 ordinary share of £1	<u>1</u>	<u>1</u>

13. Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £	Total £
Balance at 1 January 2012	806,043	268,412	1,074,455
Profit retained for the period	-	255,007	255,007
Surplus on revaluation of fixed assets	1,517,057	-	1,517,057
Balance at 31 December 2012	<u>2,323,100</u>	<u>523,419</u>	<u>2,846,519</u>

14. Ultimate parent undertaking

The company's ultimate parent undertaking and controlling party is Quadriga International Limited, a company incorporated in the British Virgin Islands

The company is a subsidiary of its immediate parent company Dorrington Properties Plc, the smallest group for which the results of this company are consolidated, and intermediate parent undertakings, Dorrington Plc and Hanover Acceptances Limited, all companies being incorporated in Great Britain and registered in England and Wales. Hanover Acceptances Limited is the largest group for which consolidated financial statements are prepared and Dorrington Properties Plc is the smallest group for which consolidated financial statements are prepared

Copies of the financial statements of Dorrington Properties Plc and Hanover Acceptances Limited are available from the Company Secretary, 16 Hans Road, London SW3 1RT

15. Related party transactions

The company has taken advantage of the exemption from the disclosure of related party transactions with entities that are part of the group in accordance with Paragraph 3(c) of Financial Reporting Standard No 8

16. Cash flow statement

The company is a wholly owned subsidiary of Hanover Acceptances Limited and the cash flows of the company are included in the consolidated cash flow statement of Hanover Acceptances Limited. Consequently the company is exempt under Financial Reporting Standard No 1 (Revised) from the requirement to prepare a cash flow statement

17. Post balance sheet event

The company has sold the sole investment property in March 2013 at value in excess of 31st Dec 2012 valuation amount