

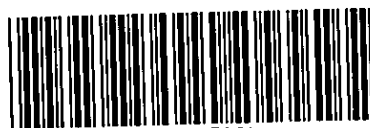
Allied London (Manchester House) Limited

Company Number 5261598

Report and Financial Statements

Year ending 31 December 2011

FRIDAY



A1095FA0

A57

21/12/2012

#372

COMPANIES HOUSE

Allied London (Manchester House) Limited

Report and financial statements for the year ended 31 December 2011

Contents

Page

1	Report of the directors
2	Independent auditor's report
3	Profit and loss account
4	Balance sheet
5	Statement of total recognised gains and losses and reconciliation of movements in shareholders' deficit
6	Notes forming part of the financial statements

Directors

M J Ingall
F P Graham-Watson
S P Lyell (appointed 11th March 2011)

Secretary and registered office

A Campbell
1st Floor, 33 Cork Street,
London, W1S 3NQ

Company number 5261598

Auditors

BDO LLP
55 Baker Street
London W1U 7EU

Allied London (Manchester House) Limited

Report of the directors for the year ended 31 December 2011

The directors present their annual report and financial statements of the company for the year ended 31 December 2011

Activities

The principal activity of the company is property investment

Review of the business

The profit and loss account is set out on page 3 and shows a loss for the year of £3,097,890 (2010 loss £310,285)

The company received rental income from its investment property but expenditure was in excess of this income

The company is continuing with the refurbishment of its investment property, which it is anticipated will add value to the property over the coming years

The directors of the company are reliant on the parent company to facilitate financial support which is expected to be continued to be provided during 2013 and the directors of the company have therefore prepared the financial statements on a going concern basis (Refer to Note 1)

Directors

The directors of the company during the financial period were

M J Ingall

F P Graham-Watson

S P Lyell (appointed 11th March 2011)

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

Auditors

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

By Order of the Board



F P Graham-Watson
Director

Date

21 DEC 2012

Allied London (Manchester House) Limited

Independent Auditor's Report to the Members of Allied London (Manchester House) Limited

We have audited the financial statements of Allied London (Manchester House) Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses the reconciliation of movements in shareholders' deficit and the related notes. 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2011 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 and the directors' report in accordance with the small companies' regime.



Alexander Tapp (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
Date

21 DEC 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Allied London (Manchester House) Limited

Profit and loss account for the year ended 31 December 2011

		Notes	
		2011 £	2010 £
Turnover		63,019	65,165
Cost of sales		(84,973)	(175,450)
Gross loss	2	(21,954)	(110,285)
Impairment of fixed assets	4	(1,374,129)	-
Administrative expenses		(1,701,807)	(200,000)
Loss before and after tax for the year	3	<u>(3,097,890)</u>	<u>(310,285)</u>

All amounts relate to continuing activities

The notes on pages 6 to 9 form part of these financial statements

Allied London (Manchester House) Limited

Company Number: 5261598

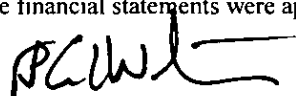
Balance sheet as at 31 December 2011

	Notes	31 December 2011 £	31 December 2010 £
Fixed assets			
Investment property	4	8,292,893	7,000,000
Current assets			
Debtors	5	62,734	38,892
Cash at bank and in hand		8,318	-
		71,052	38,892
Current liabilities			
Creditors amounts falling due within one year	6	(13,099,453)	(8,676,509)
Net current liabilities		(13,028,401)	(8,637,617)
Total net liabilities		(4,735,507)	(1,637,617)
Capital and reserves			
Called up share capital	7	1,700,001	1,700,001
Revaluation reserve	8	-	(2,789,958)
Profit and loss account	8	(6,435,508)	(547,660)
Shareholders' deficit		(4,735,507)	(1,637,617)

These 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 Board and authorised for issue on

21 DEC 2012



F P Graham-Watson
Director

The notes on pages 6 to 9 form part of these financial statements

Allied London (Manchester House) Limited

Additional financial statements for the year ended 31 December 2011

**Statement of total recognised gains and losses
for the year ended 31 December 2011**

	Note	2011 £	2010 £
Loss for the financial period		(3,097,890)	(310,285)
Unrealised deficit on revaluation of investment properties	4	-	(1,750,751)
Total recognised losses in the period		<u>(3,097,890)</u>	<u>(2,061,036)</u>

**Reconciliation of movements in shareholders' deficit
for the year ended 31 December 2011**

	2011 £	2010 £
Loss for the financial period	(3,097,890)	(310,285)
Unrealised deficit on revaluation of investment properties	-	(1,750,751)
Shares issued in the year	-	1,700,000
Net decrease in shareholders' deficit	<u>(3,097,890)</u>	<u>(361,036)</u>
Opening shareholders' deficit	<u>(1,637,617)</u>	<u>(1,276,581)</u>
Closing shareholders' deficit	<u>(4,735,507)</u>	<u>(1,637,617)</u>

The notes on pages 6 to 9 form part of these financial statements

Allied London (Manchester House) Limited

Notes forming part of the financial statements

1. Accounting policies

The following principal accounting policies have been applied in the preparation of these financial statements

a) Accounting convention

These accounts have been prepared under the historical cost convention as modified by the revaluation of certain assets

b) Going concern

The directors have considered the financial position of the company in preparing these financial statements and note that it has net liabilities and net current liabilities at 31 December 2011

The company's immediate parent, Allied London Holdco Four Limited, has taken out a new bank loan which expires in December 2015 which has provided funding to the company. In addition, the directors have obtained a letter of support from Allied London Holdco Limited indicating that it is their current intention to support the Company by ensuring that the intercompany indebtedness in respect of entities within the Allied London Holdco Limited group will not be called for repayment unless the company has the funds and working capital to do so.

The directors have also prepared and considered detailed forecasts and budgets for the period to 31 December 2013 and on this basis, believe that the company will have sufficient funds to pay its debts as they fall due and it is therefore appropriate to prepare these financial statements on a going concern basis.

c) Turnover

Turnover is stated net of VAT and comprises rental income, commissions and fees receivable. This is attributable to the company's principal activity and arises wholly in the United Kingdom.

d) Investment properties

The investment property is valued by the directors each year on an open market value basis and the aggregate surplus or temporary deficit arising from such revaluation is transferred to revaluation reserve. Deficits that are expected to be permanent are taken to profit and loss account. Acquisitions and disposals of properties are recognised where binding contracts have been exchanged during the accounting year, provided completion takes place prior to approval of the accounts.

e) Depreciation – Investment properties

In accordance with Statement of Standard Accounting Practice No. 19, no depreciation is provided in respect of freehold properties and leasehold properties with over 20 years to run. Although the Companies Act would normally require the systematic depreciation of such assets, the Directors believe that this departure from the statutory rules is necessary for the accounts to give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation, and it is not practicable to quantify separately the amount which might otherwise have been shown.

f) Deferred taxation

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

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

Deferred tax balances are not discounted.

Allied London (Manchester House) Limited

Notes forming part of the financial statements (continued)

2. Operating loss

	2011	2010
	£	£
Is stated after charging		
Provision against intercompany debtors	1,700,000	-

The company has no employees other than the directors, none of whom received remuneration in the period

3. Taxation on profit on ordinary activities

	2011	2010
	£	£
Reconciliation of current year tax charge		
Loss on ordinary activities at the standard rate of corporation tax in the UK of 26.5% (2010 – 28%)	(820,941)	(86,880)
Effects of		
Expenses not deductible for tax purposes	450,500	-
Tax losses not utilised	370,441	86,880
	-----	-----
	-	-
	=====	=====

4. Investment property

	£
Valuation	
At 1 January 2011	7,000,000
Additions	2,667,022
Impairment	(1,374,129)

As at 31 December 2011	8,292,893
	=====

The freehold investment property was valued by the directors at open market value on an existing use basis. The historical cost of the investment property is £12,456,980 (2010: £9,789,958).

5. Debtors

	2011	2010
	£	£
Trade debtors	2,060	(12,269)
Other debtors	6,374	4,233
Prepayments and accrued income	54,300	46,928
	-----	-----
	62,734	38,892
	=====	=====

The amounts are all due within one year

Allied London (Manchester House) Limited

Notes forming part of the financial statements (continued)

6. Creditors: amounts falling due within one year

	2011	2010
	£	£
Trade creditors	150,367	83,090
Other creditors	15,889	12,389
Amounts due to group undertakings	12,453,403	7,792,640
Accruals and deferred income	479,794	788,390
	<u>13,099,453</u>	<u>8,676,509</u>
	=====	=====

7. Share capital

	2011	2010
	£	£
Authorised		
Ordinary shares of £1 each	1,700,001	1,700,001
	=====	=====
Allotted, issued and full paid		
Ordinary shares of £1 each	1,700,001	1,700,001
	=====	=====

No shares were issued during the year

8. Reserves

	Revaluation	Profit and loss account
	£	£
Balance at 1 January 2011	(2,789,958)	(547,660)
Retained loss for the financial year	-	(3,097,890)
Realised revaluation deficit	2,789,958	(2,789,958)
	<u>-</u>	<u>(6,435,508)</u>
	=====	=====

9. Capital commitments

As at 31 December 2011 there were contracts for capital expenditure entered into by the company amounting to £3.5m (2010 £1.3m)

10. Contingent liability

The company's assets have been given as security for a bank loan drawn by the parent company, Allied London Holdco Four Limited. The maximum amount of this guarantee is £18m

11. Cash flow statement

A cash flow statement has not been prepared as the company is a wholly owned subsidiary undertaking of Arrow Property Investments Limited and its funds are managed as part of that company's group funds. A group cash flow statement is included in the accounts of Arrow Property Investments Limited

Allied London (Manchester House) Limited

Notes forming part of the financial statements (continued)

12. Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard No 8, not to disclose details of related party transactions with entities that are included in the consolidated financial statements of Arrow Property Investments Limited and are 100% owned

13. Ultimate parent company

As a result of a group reorganisation that took place on 17 December 2012, the company's immediate parent changed to Allied London Holdco Four Limited. The ultimate parent company remains Capital Holdco Limited, a company incorporated in the British Virgin Islands