

# **Allied London (Manchester House) Limited**

Revised Report and Financial Statements

Year Ended

31 December 2012

Company Number 5261598



# **Allied London (Manchester House) Limited**

## **Report and financial statements for the year ended 31 December 2012**

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### **Directors**

M J Ingall  
F P Graham-Watson  
S P Lyell

### **Secretary and registered office**

A Campbell, 5<sup>th</sup> Floor, Tower 12, 18-20 Bridge Street, Avenue North, Spinningfields, Manchester, M3 3BZ

### **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 2012**

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

The revised financial statements replace the original financial statements for the year ended 31 December 2012 which were approved on 20 September 2013. They are now the statutory financial statements of the company for that financial year. In accordance with the Companies Act 2006 (the "Act") the financial statements have been revised as at the date of the original financial statements and not at the date of this revision. Accordingly they do not deal with events between those dates. The original financial statements did not comply with the Act as there was a typographical error, and consequential arithmetical error, on the balance sheet page relating to the cash at bank and in hand figure. The Act requires that where revised financial statements are issued, a revised auditor's report is issued and this is attached.

### **Principal activities and trading review**

The principal activity of the company is property investment.

The profit and loss account is set out on page 5 and shows a profit for the year of £2,216,306 (2011 - loss of £3,097,890).

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.

### **Directors**

The directors of the company during the financial period were

M J Ingall  
F P Graham-Watson  
S P Lyell

### **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 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 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.

# Allied London (Manchester House) Limited

## Report of the directors for the year ended 31 December 2012 (*continued*)

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### Auditors

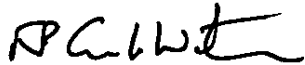
All the current directors have taken all the steps they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit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

BDO LLP have expressed their willingness to continue in office.

### Small companies' exemption

In preparing the directors' report advantage has been taken of the small companies' exemption provided by s415a of the Companies Act 2006.

### On behalf of the Board



F P Graham-Watson

### Director

Date 26 February 2014

# **Allied London (Manchester House) Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF ALLIED LONDON (MANCHESTER HOUSE) LIMITED**

We have audited the revised financial statements of Allied London (Manchester House) Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet 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). These revised financial statements replace the original financial statements approved by the directors on 20 September 2013.

The revised financial statements have been prepared under the Companies Act (Revision of Defective Accounts and Reports) Regulations 2008 and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved.

This report is made solely to the company's members, as a body, in accordance with Chapter 3, 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 revised 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 revised financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

We report to you our opinion as to whether the revised financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and are prepared in accordance with the requirements of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008. We also report to you if in our opinion the information given in the revised directors' report is consistent with the revised financial statements.

We are also required to report whether in our opinion the original financial statements failed to comply with the requirements of the Companies Act 2006 in respects identified by the directors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

In addition, the audit of revised financial statements includes the performance of procedures to assess whether the revisions made by the directors are appropriate and have been properly made.

# Allied London (Manchester House) Limited

## Independent auditor's report (*continued*)

### Opinion on financial statements

In our opinion the revised financial statements

- give a true and fair view, seen as at the date the original financial statements were approved, of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice seen as at the date the original financial statements were approved, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008

In our opinion, the original financial statements for the year ended 31 December 2012 failed to comply with requirements of the Companies Act 2006 in the respects identified by the directors in the statement contained in note 1 to these revised financial statements

### Emphasis of matter - revision of financial statements

In forming our opinion on the revised financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 of these revised financial statements concerning the need to revise the financial statements. The original financial statements were approved on 20 September 2013 and our previous report was signed on that date. We have not performed a subsequent event review for the period from the date of our previous report to the date on this report.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the revised directors' report for the financial year for which the revised financial statements are prepared is consistent with the revised 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 by the parent company, 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 26 FEBRUARY 2014

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 2012

	Note	2012 £	2011 £
<b>Turnover</b>		<b>227,945</b>	63,019
Cost of sales		<u>(148,937)</u>	<u>(84,973)</u>
<b>Gross profit/(loss)</b>		<b>79,008</b>	(21,954)
Administrative expenses - reversal of permanent diminution/(permanent diminution) in value of investment properties		<b>394,157</b>	(1,374,129)
Administrative expenses – provision against intercompany indebtedness		<b>1,700,000</b>	(1,700,000)
Administrative expenses – other		-	(1,807)
Total administrative expenses		<u><b>2,094,157</b></u>	<u>(3,075,936)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>	2	<b>2,173,165</b>	(3,097,890)
Taxation	3	<u><b>43,141</b></u>	<u>-</u>
<b>Profit/(loss) after taxation for the year</b>		<u><b>2,216,306</b></u>	<u>(3,097,890)</u>

All amounts relate to continuing activities

All recognised gains and losses are recorded in the profit and loss account

The notes on pages 7 to 11 form part of these financial statements

# Allied London (Manchester House) Limited

## Balance sheet at 31 December 2012

<b>Company number 5261598</b>	<b>Note</b>	<b>2012 £</b>	<b>2012 £</b>	<b>2011 £</b>	<b>2011 £</b>
<b>Fixed assets</b>					
Investment property	4		13,881,609		8,292,893
<b>Current assets</b>					
Debtors	5	428,515		62,734	
Cash at bank and in hand		1,953,250		8,318	
		<u>2,381,765</u>		<u>71,052</u>	
<b>Current liabilities</b>					
Creditors amounts falling due within one year	6	(15,782,575)		(13,099,453)	
<b>Net current liabilities</b>			(13,400,810)		(13,028,401)
<b>Total net assets/(liabilities)</b>			<u>480,799</u>		<u>(4,735,507)</u>
<b>Capital and reserves</b>					
Called up share capital	7		1,700,001		1,700,001
Profit and loss account	8		(1,219,202)		(6,435,508)
<b>Shareholders' funds/(deficit)</b>			<u>480,799</u>		<u>(4,735,507)</u>

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 of Directors and authorised for issue on 26 February 2014



F P Graham-Watson  
Director

The notes on pages 7 to 11 form part of these financial statements



# Allied London (Manchester House) Limited

## Notes forming part of the financial statements for the year ended 31 December 2012

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### 1 Accounting policies

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

#### *Accounting convention*

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

#### *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

#### *Going concern*

The directors have considered the financial position of the company in preparing these financial statements and note that it has net current liabilities at 31 December 2012

The directors have obtained a letter of support from Allied London Properties 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 Properties Limited group will not be called for repayment unless the company has the funds and working capital to do so. The directors therefore consider it appropriate to prepare these financial statements on a going concern basis

#### *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 financial statements

#### *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 financial statements 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

#### *Revision of financial statements*

As explained in the revised directors' report, the original financial statements did not comply with the Companies Act 2006 because there was a typographical error, and consequential arithmetical error, on the balance sheet page relating to the cash at bank and in hand figure

# Allied London (Manchester House) Limited

## Notes forming part of the financial statements for the year ended 31 December 2012 (continued)

### 1 Accounting policies (continued)

#### 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

### 2 Operating loss

	2012 £	2011 £
Is stated after (crediting)/charging		
(Reversal of provision)/provision against intercompany debtors	(1,700,000)	1,700,000

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

### 3 Taxation on profit on ordinary activities

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below

	2012 £	2011 £
Profit/(loss) on ordinary activities before tax	2,216,306	(3,097,890)
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	542,995	(820,941)
Effects of		
Expenses not deductible for tax purposes	(416,500)	450,500
Group relief	(126,495)	-
Tax losses not utilised	-	370,441
Land mediation relief	(43,141)	-
Current tax credit for year	(43,141)	-

# Allied London (Manchester House) Limited

## Notes forming part of the financial statements for the year ended 31 December 2012

<b>4 Investment property</b>	<b>£</b>
<i>Valuation</i>	
At 1 January 2012	8,292,893
Additions	5,194,559
Reversal of impairment	394,157
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As at 31 December 2012	<b>13,881,609</b>
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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 £17,652,138 (2011 - £12,457,579)

<b>5 Debtors</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Trade debtors	120,093	2,060
Other debtors	130,772	6,374
Prepayments and accrued income	177,750	54,300
	<hr/>	<hr/>
	<b>428,515</b>	<b>62,734</b>
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The amounts are all due within one year

<b>6 Creditors amounts falling due within one year</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Trade creditors	272,862	150,367
Other creditors	13,345	15,889
Amounts due to group undertakings	13,610,470	12,453,403
Accruals and deferred income	1,885,898	479,794
	<hr/>	<hr/>
	<b>15,782,575</b>	<b>13,099,453</b>
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# Allied London (Manchester House) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2012 (continued)

## 7 Share capital

	2012 Number	Authorised 2011 Number	2012 £	2011 £
Ordinary shares of £1 each	1,700,001	1,700,001	1,700,001	1,700,001
	2012 Number	Allotted, issued and fully paid 2011 Number	2012 £	2011 £
Ordinary shares of £1 each	1,700,001	1,700,001	1,700,001	1,700,001
	1,700,001	1,700,001	1,700,001	1,700,001

No shares were issued during the year

## 8 Reserves

	Profit and loss account £
Balance at 1 January 2012	(6,435,508)
Capital contribution	3,000,000
Retained profit for the year	2,216,306
Balance at 31 December 2012	(1,219,202)

On 7<sup>th</sup> December 2012 the company received a non-returnable capital contribution of £3,000,000 from Cork Street Properties Limited

## 9 Capital commitments

As at 31 December 2012 there were contracts for capital expenditure entered into by the company amounting to £0.5m (2011 - £3.5m)

## 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

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement on the grounds that it is a small entity, as defined by s382 of the Companies Act 2006.

# **Allied London (Manchester House) Limited**

## **Notes forming part of the financial statements for the year ended 31 December 2012 (*continued*)**

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### **12 Related party transactions**

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related party disclosures", not to disclose any transactions with members of the group headed by Capital Holdco Limited on the grounds that 100% of the voting rights in the group members are controlled by Capital Holdco Limited

### **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