

**ALLIED LONDON (MANCHESTER HOUSE) LIMITED  
DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**Allied London (Manchester House) Limited**  
**Directors' Report and Financial Statements**  
**For The Year Ended 31 December 2016**

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**Contents**

	<b>Page</b>
Company Information	1
Directors' Report	2
Auditor's Report	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Notes to the Financial Statements	7—9

**Allied London (Manchester House) Limited**  
**Company Information**  
**For The Year Ended 31 December 2016**

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<b>Directors</b>	Mr F P Graham-Watson Mr A J Campbell
<b>Secretary</b>	Mr A J Campbell
<b>Company Number</b>	05261598
<b>Registered Office</b>	2nd Floor HQ Building 2 Atherton Street Manchester M3 3GS
<b>Auditors</b>	BDO LLP 55 Baker Street London W1U 7EU

The directors present their report and the financial statements for the year ended 31 December 2016.

#### Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' 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 the financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

#### Statement of Disclosure of Information to Auditors

The directors of the company who held office at the date of approval of this annual report confirm that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### Principal Activity

The company's principal activity continues to be that of property investment.

The company disposed of its investment property on 13 December 2013 and continues to settle outstanding matters in relation to the property.

#### Review of Business

The directors of the company are reliant on the ultimate parent company to facilitate financial support which is expected to continue to be provided and the directors of the company have therefore prepared the financial statements on a going concern basis.

#### Directors

The directors who held office during the year were as follows:

Mr F P Graham-Watson

Mr A J Campbell

#### Small Company Rules

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

In preparing this report, the directors have taken advantage of the small companies exemption provided by Section 415A of the Companies Act 2006.

#### Auditors

BDO have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board



Mr A J Campbell

Director

Date 7 SEPTEMBER 2017

**Allied London (Manchester House) Limited**  
**Auditor's Report**  
**For The Year Ended 31 December 2016**

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**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 2016 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity 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 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 Financial Reporting Council's (FRC) 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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

**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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on Other Matter Prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

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;
- the financial statements are not in agreement with the accounting records or returns;
- certain disclosures of directors' remuneration specified by law are not made;
- 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 in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the strategic report.



Alexander Tapp (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor

Date **7 SEPTEMBER 2017**  
BDO LLP  
55 Baker Street  
London  
W1U 7EU

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

**Allied London (Manchester House) Limited**  
**Statement of Comprehensive Income**  
**For The Year Ended 31 December 2016**

	Notes	2016 £	2015 £
Cost of sales		461	7,677
<b>GROSS PROFIT</b>		<b>461</b>	<b>7,677</b>
Administrative expenses		(60)	(31)
Other operating income		-	891,369
<b>OPERATING PROFIT</b>	<b>2</b>	<b>401</b>	<b>899,015</b>
Other income	2	108,880	2,072
Interest receivable	4	6,255	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>115,536</b>	<b>901,087</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>115,536</b>	<b>901,087</b>

All amounts relate to continuing activities.

**Allied London (Manchester House) Limited**  
**Statement of Financial Position**  
**For The Year Ended 31 December 2016**

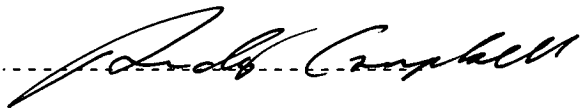
Company No. 05261598

		2016		2015	
	Notes	£	£	£	£
<b>CURRENT ASSETS</b>					
Debtors	6	171,913		65,418	
Cash at bank and in hand		40		-	
		<u>171,953</u>		<u>65,418</u>	
<b>Creditors: Amounts Falling Due Within One Year</b>	7	<u>(50,000)</u>		<u>(59,001)</u>	
<b>NET CURRENT ASSETS</b>			<u>121,953</u>		<u>6,417</u>
<b>NET ASSETS</b>			<u>121,953</u>		<u>6,417</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		1		1
Profit and loss account			<u>121,952</u>		<u>6,416</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>121,953</u>		<u>6,417</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorised for issue on

7 SEPTEMBER 2017



Mr A J Campbell  
Director

**Allied London (Manchester House) Limited**  
**Statement of Changes in Equity**  
**For The Year Ended 31 December 2016**

	Share Capital	Profit & Loss Account	Total
	£	£	£
As at 1 January 2015	1,700,001	3,692,154	5,392,155
<b>Comprehensive Income for the year</b>			
Profit for the year	-	901,087	901,087
<b>Contributions by and distributions to owners</b>			
Dividends paid	-	(6,286,825)	(6,286,825)
Share capital reduction	(1,700,000)	1,700,000	-
As at 31 December 2015	<u>1</u>	<u>6,416</u>	<u>6,417</u>
As at 1 January 2016	1	6,416	6,417
<b>Comprehensive Income for the year</b>			
Profit for the year	-	115,536	115,536
As at 31 December 2016	<u>1</u>	<u>121,952</u>	<u>121,953</u>

The Company passed a special resolution on 15 December 2015, pursuant to section 642 of the Companies Act 2006 to reduce the share capital of the company from £1,700,001 to £1 as the share capital was surplus to requirements



## 1. Accounting Policies

### 1.1. Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and in accordance with the provisions of Financial Reporting Standard 102 section 1A small entities, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 1.6).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

### 1.2 Financial Reporting Standard 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 4 Statements of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Allied London Properties Limited as at 31 December 2015 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

### 1.3. Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

### 1.4. Deferred Taxation

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 1.5. Financial Instruments

#### Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

#### Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

#### Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### 1.6. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors consider that there are no significant judgements in applying the accounting policies. Nor are there any key sources of uncertainty.

## 2. Operating Profit

Audit fees were borne by the ultimate parent company.

The company had no employees during the year other than the directors, who received no remuneration.

Operating profit is stated after charging:	2016	2015
Release of provisions for property costs	-	478,562
Drawdown of sale escrow amounts	-	420,493

Other income of £184,880 relates to the return of deposits placed to cover rental and service charge shortfalls on the sale of a property in 2013 while the building remained partially unlet. The building is now fully let and this amount has been refunded under the terms of the sale agreement.

**Allied London (Manchester House) Limited**  
**Notes to the Accounts (continued)**  
**For The Year Ended 31 December 2016**

**3. Average number of employees**

Average number of employees, including directors, during the year was as follows:

	2016	2015
Directors	2	2
	<u>2</u>	<u>2</u>

**4. Interest Receivable**

	2016	2015
Loan interest	6,255	-
	<u>6,255</u>	<u>-</u>

**5. Tax on Profit on Ordinary Activities**

	Tax Rate	2016	2015
	2016	£	£
UK Corporation Tax	20%	-	-

	2016	2015
	£	£
Profit on ordinary activities before tax	115,536	901,086

**Breakdown of Tax Charge is:**

Tax on profit at 20% (UK standard rate) (2015: 20%)	23,107	180,217
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**Effects of:**

Group relief acquired at no cost	(23,107)	(180,217)
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Total tax charge for the year	<u>-</u>	<u>-</u>
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**6. Debtors**

	2016	2015
	£	£
Due within one year		
Other debtors	-	9,064
Amounts owed by group undertakings	171,913	56,354
	<u>171,913</u>	<u>65,418</u>

The amounts due from group undertakings are repayable on demand and not interest bearing.

**7. Creditors: Amounts Falling Due Within One Year**

	2016	2015
	£	£
Other creditors	-	8,986
Bank loans and overdrafts	-	15
Accruals and deferred income	50,000	50,000
	<u>50,000</u>	<u>59,001</u>

**Allied London (Manchester House) Limited**  
**Notes to the Accounts (continued)**  
**For The Year Ended 31 December 2016**

**8. Share Capital**

	2016	2015	2016	2015
	Number	Number	£	£
<b>Allotted, called up and fully paid</b>				
Ordinary £1 shares	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

**9. Dividends**

	2016	2015
	£	£
<b>On equity shares:</b>		
Interim dividend paid	<u>-</u>	<u>6,286,825</u>

**10. Related Party Transactions**

The company has taken advantage of the exemption allowed by Financial Reporting Standard 102, "Related party disclosures" Section 33.1A not to disclose details of related party transactions with entities that are included in the consolidated financial statements of Allied London Properties Limited and are 100% owned.

**11. Ultimate Controlling Party**

The company's immediate parent is Allied London Holdco Four Limited. The ultimate parent company is Capital Holdco Limited, a company incorporated in the British Virgin Islands

**12. Financial Instruments**

The Company considers that the fair value of debtors and creditors are not materially different to their carrying value.

The Company's financial instruments may be analysed as follows:

	2016	2015
	£	£
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>171,953</u>	<u>65,418</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>-</u>	<u>9,001</u>

Financial assets measured at amortised cost comprise cash, other debtors and amounts due from group undertakings.

Financial liabilities measured at amortised cost comprise cash and other creditors.

**13. General Information**

Allied London (Manchester House) Limited, registered number 05261598, is a limited by shares company incorporated in England & Wales. The Registered Office is 2nd Floor, HQ Building, 2 Atherton Street, Manchester, M3 3GS.