

Allied London (Manchester House) Limited

Report and Financial Statements

Year Ended

31 December 2013

Company Number 5261598

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Allied London (Manchester House) Limited

Report and financial statements for the year ended 31 December 2013

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Directors

M J Ingall
F P Graham-Watson
S P Lyell

Secretary and registered office

A Campbell, 5th Floor, Tower 12, 18-22 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 2013

The directors present their annual report and financial statements of the company for the year ended 31 December 2013.

Principal activities and trading review

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

The profit and loss account is set out on page 5 and shows a profit for the year of £3,872,157 (2012: £2,216,306).

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 2013 (*continued*)

Auditors

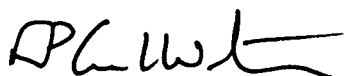
All the current directors have taken all the steps they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit 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 31 July 2014

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 2013 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).

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 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 Financial Reporting Council's website at 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 2013 and of its profit 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.

Allied London (Manchester House) Limited

Independent auditor's report (*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 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 31 July 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 2013

	Note	2013 £	2012 £
Turnover	1	821,784	227,945
Cost of sales		-	(148,937)
Gross profit		821,784	79,008
Administrative expenses - reversal of permanent diminution/(permanent diminution) in value of investment properties		-	394,157
Administrative expenses – provision against intercompany indebtedness		-	1,700,000
Administrative expenses – other		(1,791,448)	
Total administrative expenses		(1,791,448)	2,094,157
Profit on disposal of investment property		5,913,282	-
Profit on ordinary activities before interest and taxation	2	4,943,618	-
Interest receivable and similar income	3	806	-
Interest payable and similar charges	3	(1,072,267)	-
Profit on ordinary activities before taxation		3,872,157	2,173,165
Taxation	4	-	43,141
Profit after taxation for the year		3,872,157	2,216,306

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 2013

Company number 5261598	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Investment property	5		-		13,881,609
Current assets					
Debtors	6	24,613,130		428,515	
Cash at bank and in hand		1,230,355		1,963,250	
		<u>25,843,485</u>		<u>2,381,765</u>	
Current liabilities					
Creditors: amounts falling due within one year	7	(21,490,529)		(15,782,575)	
		<u></u>		<u></u>	
Net current assets/(liabilities)			4,352,956		(13,400,810)
			<u></u>		<u></u>
Net assets			4,352,956		480,799
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	8		1,700,001		1,700,001
Profit and loss account	9		2,652,955		(1,219,202)
			<u></u>		<u></u>
Shareholders' funds			4,352,956		480,799
			<u></u>		<u></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 31 July 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 2013

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.

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.

Allied London (Manchester House) Limited

Notes forming part of the financial statements for the year ended 31 December 2013 (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 profit

	2013 £	2012 £
Is stated after crediting:		
Reversal of provision against intercompany debtors	-	(1,700,000)

The company has no employees other than the directors, none of whom received remuneration in the year. Audit fees were borne by a fellow group undertaking.

3 Interest payable

	2013 £	2012 £
Intercompany	1,072,267	-

4 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

	2013 £	2012 £
Profit on ordinary activities before tax	3,872,157	2,216,306
Profit on ordinary activities at the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	900,277	542,995
Effects of:		
Expenses not deductible for tax purposes	-	(416,500)
Group relief	(900,277)	(126,495)
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 2013

5 Investment property	£
<i>Valuation</i>	
At 1 January 2013	13,881,609
Disposal	(13,881,609)
	<hr/>
As at 31 December 2013	-
	<hr/>

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 was £17,652,138 as at 31 December 2012.

6 Debtors	2013	2012
	£	£
Trade debtors	293,112	120,093
Other debtors	362,208	130,772
Prepayments and accrued income	20,023	177,750
Amounts due from group undertakings	23,937,787	-
	<hr/>	<hr/>
	24,613,130	428,515
	<hr/>	<hr/>

The amounts are all due within one year.

7 Creditors: amounts falling due within one year	2013	2012
	£	£
Trade creditors	423,602	272,862
Other creditors	2,187,572	13,345
Amounts due to group undertakings	18,093,253	13,610,470
Accruals and deferred income	786,102	1,885,898
	<hr/>	<hr/>
	21,490,529	15,782,575
	<hr/>	<hr/>

Allied London (Manchester House) Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

8 Share capital

	2013 Number	Authorised 2012 Number	2013 £	2012 £
Ordinary shares of £1 each	1,700,001	1,700,001	1,700,001	1,700,001
	2013 Number	Allotted, issued and fully paid 2012 Number	2013 £	2012 £
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.

9 Reserves

	Profit and loss Account £
Balance at 1 January 2013	(1,219,202)
Retained profit for the year	3,872,157
Balance at 31 December 2013	2,652,955

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 £7,166,666..

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 2013 (*continued*)

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 entities that are included in the consolidated financial statements of Allied London Properties Limited and are 100% owned.

13 Ultimate parent company

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