

**ALLIED LONDON DEVELOPMENT MANAGEMENT LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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Allied London Development Management Limited
Directors' Report and Financial Statements
For The Year Ended 31 December 2018

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Allied London Development Management Limited
Company Information
For The Year Ended 31 December 2018

Directors

Mr Michael Ingall
Mr Frederick Graham-Watson
Mr Suresh Gorasia
Mr Jonathan Raine

Company Number

07664668

Registered Office

C/O Allied London
No. 1 Spinningfields
Level 12
1 Hardman Square
Manchester
M3 3EB

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Allied London Development Management Limited
Company No. 07664668
Directors' Report For The Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

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 principal activity of the company is that of managing property developments.

Review of Business

The company made a profit for the year of £4,146,793 (2017: loss £690,274). The directors do not recommend the payment of a dividend.

Directors

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

Mr Michael Ingall

Mr Frederick Graham-Watson

Mr Suresh Gorasia

Mr Jonathan Raine

Mr Stuart Lyell

Mr Andy Campbell

APPOINTED

27/03/2018

RESIGNED

27/03/2018

RESIGNED

24/03/2018

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.

On behalf of the board



Mr Frederick Graham-Watson

Date

19/12/2019

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF ALLIED LONDON DEVELOPMENT MANAGEMENT LIMITED

Opinion

We have audited the financial statements of Allied London Development Management Limited ("the Company") for the year ended 31 December 2018 which comprise Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 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.

Other matter

The corresponding figures for the year ended 31 December 2017 are unaudited.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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 period 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 Strategic report and Director's report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

BDO LLP

Charles Ellis (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

20 DEC 2019

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

Allied London Development Management Limited
Statement of Comprehensive Income
For The Year Ended 31 December 2018

	Notes	2018 £	2017 £
TURNOVER		6,069,786	8,011,995
Cost of sales		(678,667)	(7,747,420)
GROSS PROFIT		5,391,119	284,575
Administrative expenses		(1,245,193)	(983,104)
OPERATING PROFIT/(LOSS)	2	4,145,926	(718,529)
Income from Shares in group undertakings		-	20,968
Other interest receivable and similar income		867	7,287
PROFIT/(LOSS) BEFORE TAXATION		4,146,793	(690,274)
Tax on Profit/(Loss)	6	-	-
PROFIT/(LOSS) AFTER TAXATION BEING PROFIT/(LOSS) FOR THE FINANCIAL YEAR		4,146,793	(690,274)
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME/(DEFICIT) FOR THE YEAR		4,146,793	(690,274)

The notes on pages 8 to 13 form part of these financial statements.

Allied London Development Management Limited
Statement of Financial Position
As at 31 December 2018

Company No. 07664668	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible Assets	7	318,147	67,539
Investments	8	101	201
		<u>318,248</u>	<u>67,740</u>
CURRENT ASSETS			
Debtors	9	14,368,532	3,063,825
Cash at bank and in hand		1,203,243	6,558,783
		<u>15,571,775</u>	<u>9,622,608</u>
Creditors: Amounts Falling Due Within One Year	10	<u>(9,088,094)</u>	<u>(7,431,235)</u>
NET CURRENT ASSETS		<u>6,483,681</u>	<u>2,191,373</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,801,929</u>	<u>2,259,113</u>
Creditors: Amounts Falling Due After More Than One Year	11	<u>(396,023)</u>	<u>-</u>
NET ASSETS		<u>6,405,906</u>	<u>2,259,113</u>
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Profit and loss account		6,405,806	2,259,013
SHAREHOLDERS' FUNDS		<u>6,405,906</u>	<u>2,259,113</u>

These accounts 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

19/12/2019



Mr Frederick Graham-Watson

The notes on pages 8 to 13 form part of these financial statements.

Allied London Development Management Limited
Statement of Changes in Equity
For The Year Ended 31 December 2018

	Share Capital	Profit & Loss Account	Total
	£	£	£
As at 1 January 2017	100	2,949,287	2,949,387
Loss for the year	-	(690,274)	(690,274)
As at 31 December 2017 and 1 January 2018	100	2,259,013	2,259,113
Profit for the year	-	4,146,793	4,146,793
As at 31 December 2018	100	6,405,806	6,405,906

The notes on pages 8 to 13 form part of these financial statements.

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.

1.1.1. 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 7 Statement of Cash Flows.

This information is included in the consolidated financial statements of Allied London Properties Limited as at 31 December 2018 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

1.2. Turnover

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

1.3. Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold	33% Straight Line
Fixtures & Fittings	33% Straight Line
Computer Equipment	33% Straight Line

1.4. 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.

1.5. Taxation

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.

1.6. 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.

1.7. Dividend income

Dividend income represents dividends receivable from subsidiary undertakings. Dividends receivable are recognised on receipt.

Allied London Development Management Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2018

2. Operating Profit

The operating profit is stated after charging:

	2018	2017
	£	£
Directors' remuneration	698,268	1,666,216
Audit fees	5,000	5,000
Release of management fee accrual	(3,208,686)	-
Depreciation of tangible fixed assets	58,347	104,242
	<u>698,268</u>	<u>1,666,216</u>

Refer to Note 10 for further details on the release of the management fee accrual.

3. Staff Costs

Staff costs, including directors' remuneration, were as follows:

	2018	2017
	£	£
Wages and salaries	2,754,949	3,476,869
Social security costs	323,448	418,211
Other pension costs	68,057	76,400
	<u>3,146,454</u>	<u>3,971,480</u>

4. Average Number of Employees

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

	2018	2017
Office and administration	14	13
Sales, marketing and distribution	28	35
	<u>42</u>	<u>48</u>

5. Directors' remuneration

	2018	2017
	£	£
Emoluments	686,105	1,623,633
Company contributions to money purchase pension schemes	12,163	42,583
	<u>698,268</u>	<u>1,666,216</u>
Highest paid director:		
Emoluments	410,506	694,400
	<u>410,506</u>	<u>694,400</u>

Allied London Development Management Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2018

6. Tax on Profit

	Tax Rate		2018	2017
	2018	2017	£	£
UK Corporation Tax	19.0%	19.25%	-	-
			<u>2018</u>	<u>2017</u>
			£	£
Profit/(Loss) before tax			4,146,793	(690,274)
Breakdown of Tax Charge is:				
Tax on profit/loss at 19% (UK standard rate) (2017: 19.25%)			787,891	(132,878)
Group relief			(787,891)	132,878
Total tax charge for the period			-	-

7. Tangible Assets

	Land & Property	Fixtures & Fittings	Computer Equipment	Total
	Leasehold			
	£	£	£	£
Cost				
As at 1 January 2018	78,794	112,516	147,264	338,574
Additions	254,205	5,158	49,592	308,955
As at 31 December 2018	<u>332,999</u>	<u>117,674</u>	<u>196,856</u>	<u>647,529</u>
Depreciation				
As at 1 January 2018	69,434	100,750	100,851	271,035
Provided during the period	20,358	11,424	26,565	58,347
As at 31 December 2018	<u>89,792</u>	<u>112,174</u>	<u>127,416</u>	<u>329,382</u>
Net Book Value				
As at 31 December 2018	<u>243,207</u>	<u>5,500</u>	<u>69,440</u>	<u>318,147</u>
As at 1 January 2018	<u>9,360</u>	<u>11,766</u>	<u>46,413</u>	<u>67,539</u>

Allied London Development Management Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2018

8. Investments

	Unlisted £
Cost	
As at 1 January 2018	201
Disposals	(100)
As at 31 December 2018	<u>101</u>
Provision	
As at 1 January 2018	-
As at 31 December 2018	<u>-</u>
Net Book Value	
As at 31 December 2018	<u>101</u>
As at 1 January 2018	<u>201</u>

During the year, the company disposed of the entire share capital of All Plus Management Limited for £nil consideration.

The following are all wholly owned subsidiaries registered in England with their registered office as C/O Allied London No. 1 Spinningfields, Level 12, 1 Hardman Square, Manchester, M3 3EB.

Oh Ok Limited (event planning)
Hello Concepts Limited (dormant company)

9. Debtors

	2018 £	2017 £
Due within one year		
Trade debtors	444,683	748,452
Prepayments and accrued income	217,554	149,563
Other debtors	8,601,968	284,325
Amounts owed by group undertakings	3,446,127	98,180
Amounts owed by related parties	1,658,200	1,783,305
	<u>14,368,532</u>	<u>3,063,825</u>

All amounts shown under debtors fall due for payment within one year.

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

Allied London Development Management Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2018

10. Creditors: Amounts Falling Due Within One Year

	2018	2017
	£	£
Trade creditors	781,694	38,887
Other creditors	73,608	1,035,096
Accruals and deferred income	815,746	3,912,462
Amounts owed to group undertakings	6,581,268	2,444,790
Amounts owed to related parties	835,778	-
	<u>9,088,094</u>	<u>7,431,235</u>

Other creditors include a capital contribution of £48,087 (2017: £nil) received from the property developer. This amount is to be utilised for leasehold expenditure and is being unwound over the period of the lease.

The reduction in accruals and deferred income includes an amount of £3,208,686 in respect of a prior year management fee accrual that is no longer payable. This amount has been recognised in cost of sales.

The amounts due to group undertakings and related parties are repayable on demand and not interest bearing.

11. Creditors: Amounts Falling Due After More Than One Year

	2018	2017
	£	£
Other creditors	396,023	-
	<u>396,023</u>	<u>-</u>

Other creditors comprise a capital contribution received from the property developer. This amount is to be utilised for leasehold expenditure and is being unwound over the period of the lease.

12. Share Capital

		2018	2017
		100	100
Allotted, Called up and fully paid			
	Value	2018	2017
	£	£	£
Allotted, called up and fully paid			
Ordinary shares	1.000	100	100

13. Financial Instruments

The company considers that the fair value of cash and cash equivalents, loans, trade and other receivables, and trade and other payables are not materially different to their carrying value.

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

Financial assets measured at amortised cost of £15,354,221 (2017: £9,473,045) comprise cash, trade debtors, other debtors and amounts due from group undertakings and related parties.

Financial liabilities measured at amortised cost of £8,668,371 (2017: £3,518,773) comprise bank loans and overdrafts, trade creditors, other creditors and amounts due to group undertakings.

Allied London Development Management Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2018

14. 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 100% owned members of the same group.

Allied London Fire Station Limited

The directors of Allied London Fire Station Limited are also directors of Allied London Development Management Limited.
The company is owed £500,000 (2017: £500,000) from Allied London Fire Station Limited.

Manchester Quays Limited

The directors of Manchester Quays Limited are also directors of Allied London Development Management Limited.
The company owes £835,778 to Manchester Quays Limited (2017: £300 owed from Manchester Quays Limited).

Allied London Quay Street Two Limited

The directors of Allied London Quay Street Two Limited are also directors of Allied London Development Management Limited.
The company is owed £1,158,200 (2017: £1,285,005) from Allied London Quay Street Two Limited.

Transactions with directors

The loans made from the company are not subject to interest and are repayable on demand.

	At 1 January 2018	Advances to directors	Repayments by directors	At 31 December 2018
	£	£	£	£
Mr Michael Ingall	-	5,360,000	-	5,360,000
Mr Frederick Graham-Watson	-	2,240,000	-	2,240,000
Mr Stuart Lyell (resigned 13 March 2018)	-	400,000	-	400,000

In 2019, advances were made to Mr Michael Ingall (£3,792,000), Mr Frederick Graham-Watson (£2,128,000) and Mr Stuart Lyell (£380,000). Also, in 2019, repayments were made by Mr Michael Ingall (£2,680,000), Mr Frederick Graham-Watson (£1,120,000) and Mr Stuart Lyell (£200,000).

15. Ultimate Controlling Party

Capital Properties UK (Two) Limited a company registered in England and Wales, is the immediate parent company. The directors consider the ultimate parent company to be Capital Holdco Limited, a holding company registered in the British Virgin Islands.

16. General Information

Allied London Development Management Limited is a private company, limited by shares, incorporated in England & Wales, registered number 07664668. The registered office is C/O Allied London No. 1 Spinningfields, Level 12, 1 Hardman Square, Manchester, M3 3EB.