

# Allied London Properties Limited

Report and Financial Statements

Period Ended

31 December 2013

Company Number 08296768

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# **Allied London Properties Limited**

## **Report and financial statements for the period ended 31 December 2013**

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### **Directors**

M J Ingall (appointed 16 November 2012)  
F P Graham-Watson (appointed 16 November 2012)  
S P Lyell (appointed 16 November 2012)

### **Secretary and registered office**

A Campbell, Level 5, Tower 12, 18-22 Bridge Street, Avenue North, Spinningfields, Manchester, M3 3BZ

### **Company number**

08296768

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# **Allied London Properties Limited**

## **Report of the directors for the period ended 31 December 2013**

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

The company was incorporated and commenced trading on 16 November 2012. The company changed its name on 26 February 2013 from Allied London Holdco Five Limited to Allied London Properties Limited.

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

The principal activities of the Group are property investment, trading and development.

As a result of a group reorganisation that took place on 17 December 2012 the company acquired a number of trading subsidiaries from Cork Street Properties Limited, a fellow subsidiary of the group's ultimate parent company.

The company has recorded a profit of £2,456,465 during the financial period. The directors do not recommend the payment of a dividend.

### **Directors**

The directors of the company during the financial period were:

M J Ingall (appointed 16 November 2012)

F P Graham-Watson (appointed 16 November 2012)

S P Lyell (appointed 16 November 2012)

### **Principal risks and uncertainties**

Liquidity risk is monitored by cash flow projections which are reviewed by the Board on a quarterly basis. All capital expenditure is approved by the Board and monitored at monthly meetings. Hedging instruments are put in place to protect loans from the risk of increased interest rates. The group only undertakes developments that are substantially pre-let or where there has been significant interest in the property.

### **Property valuation**

The properties were valued at 31 December 2013 by the directors on the basis of their open market value. The directors had the benefit of third party professional valuations for the majority of the assets, and these formed the basis of the directors' valuations.

### **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 period. 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.

# **Allied London Properties Limited**

## **Report of the directors for the period ended 31 December 2013 (*continued*)**

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### **Directors' responsibilities (*continued*)**

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.

### **On behalf of the Board**



F P Graham-Watson

### **Director**

Date 30 June 2014

# **Allied London Properties Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF ALLIED LONDON PROPERTIES LIMITED**

We have audited the financial statements of Allied London Properties Limited for the period ended 31 December 2013 which comprise the consolidated profit and loss account, the consolidated and company balance sheet, the consolidated cashflow statement, the consolidated statement of total recognised gains and losses, the consolidated reconciliation of movements in shareholders' funds 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](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 2013 and of its profit for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

# Allied London Properties Limited

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

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### 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 30 June 2014

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

# Allied London Properties Limited

## Consolidated profit and loss account for the period ended 31 December 2013

	Note	2013 £
<b>Turnover</b>	2	<b>3,762,916</b>
Cost of sales		(3,322,465)
<b>Gross profit</b>		<b>440,451</b>
Administrative expenses	3	(2,668,609)
Other income		536,120
Profit on disposal of investment property		6,799,433
<b>Profit on ordinary activities before interest and taxation</b>		<b>5,107,395</b>
Interest receivable and similar income	4	7,622
Interest payable and similar charges	4	(2,658,552)
<b>Profit on ordinary activities before taxation</b>		<b>2,456,465</b>
Taxation on ordinary activities	5	-
<b>Profit after taxation</b>	14	<b>2,456,465</b>

All amounts relate to continuing activities.  
All recognised gains and losses are recorded in the profit and loss account.

The notes on pages 9 to 20 form part of these financial statements.

# Allied London Properties Limited

## Balance sheet at 31 December 2013

<b>Company number 08296768</b>	<b>Note</b>	<b>Group 2013 £</b>	<b>Group 2013 £</b>	<b>Company 2013 £</b>	<b>Company 2013 £</b>
<b>Fixed assets</b>					
Investment properties and land	6		17,663,779		-
Intangible fixed assets	7		-		-
Investments in subsidiaries	8		-		104
			17,663,779		104
<b>Current assets</b>					
Stocks	9	51,552		-	
Debtors	10	11,570,289		284,848	
Cash at bank and in hand		3,115,004		-	
		14,736,845		284,848	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	11	(12,162,874)		(292,352)	
<b>Net current assets/(liabilities)</b>			2,573,971		(7,504)
<b>Creditors: amounts falling due after more than one year</b>	12		(15,593,008)		-
<b>Net assets/(liabilities)</b>			4,644,742		(7,400)
<b>Capital and reserves</b>					
Called up share capital	13		100		100
Revaluation reserve	14		2,188,177		-
Profit and loss account	14		2,456,465		(7,500)
<b>Shareholders' funds/(deficit)</b>			4,644,742		(7,400)

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 30 June 2014.



F P Graham-Watson  
Director

The notes on pages 9 to 20 form part of these financial statements.



## Allied London Properties Limited

### Group statement of total recognised gains and losses and reconciliation of movements in shareholders' funds for the year ended 31 December 2013

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	2013 £
<b>Statement of total recognised gains and losses</b>	
Profit for the financial period	2,456,465
Unrealised surplus on revaluation of investment properties	2,188,177
	<hr/>
Total recognised gains in the period	4,644,642
	<hr/>
 <b>Reconciliation of movements in shareholders' funds</b>	 £
Profit for the financial period	2,456,465
Unrealised surplus on revaluation of investment properties	2,188,177
	<hr/>
Net increase in shareholders' funds	4,644,642
Opening shareholders' funds	-
Shares issued in the period	100
	<hr/>
Closing shareholders' funds	4,644,742
	<hr/>

The notes on pages 9 to 20 form part of these financial statements

# Allied London Properties Limited

## Consolidated cash flow statement for the year ended 31 December 2013

	Note	2013 £	2013 £
<b>Cash outflow from operating activities</b>	15		(23,258,965)
<b>Net cash outflow on returns on investment and servicing of finance</b>			
Interest received		7,622	
Interest paid		(2,658,552)	
Loan issue costs amortised		122,157	
			(2,528,773)
<b>Capital expenditure and financial investment</b>			
Additions to investment properties		(5,518,849)	
Sale of investment properties		23,992,926	
			18,474,077
<b>Acquisitions and disposals</b>			
Acquisition of subsidiary undertakings		(6,670,971)	
Net cash acquired with subsidiary undertakings		1,506,628	
			(5,164,343)
<b>Net cash outflow before use of liquid resources and financing</b>			(12,478,004)
<b>Financing</b>			
Loan issue costs			
New loans		37,181,842	
Interest rolled into loan balance		1,780,528	
Repayment of bank loans		(23,369,362)	
<b>Net cash inflow from financing</b>			15,593,008
<b>Increase in cash in period</b>			3,115,004

The notes on pages 9 to 20 form part of these financial statements

# Allied London Properties Limited

## Notes forming part of the financial statements for the period ended 31 December 2013

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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 and in accordance with United Kingdom generally accepted accounting practices.

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

#### *Basis of consolidation*

The Group accounts comprise the accounts of the Company and subsidiary undertakings made up to 31 December 2013 or in the case of undertakings acquired during the period for the period of ownership under the acquisition method of accounting.

#### *Turnover*

Turnover which is exclusive of service charges and VAT, includes the rental income receivable from operating and trading income. This is attributable to the group's principal activity wholly undertaken in the United Kingdom. Trading income relates to the sale of stock.

#### *Other investments*

Other investments carried as fixed assets are stated at cost or market value.

#### *Investment properties*

Investment properties and investment properties under development are valued annually on an open market value basis and the aggregate surplus or temporary deficit arising from such revaluation is transferred to the 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.

#### *Depreciation of 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 2006 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 and, in the opinion of the directors, would be misleading.

#### *Stocks*

Land and work in progress are valued at the lower of cost and net realisable value. Work in progress includes attributable overheads and reflects payments received on account. Trading transactions are recognised where binding contracts have been exchanged during the accounting year, provided completion takes place prior to the approval of the accounts.

# Allied London Properties Limited

## Notes forming part of the financial statements for the period ended 31 December 2013 (*continued*)

### *Land*

FRS 15 requires fixed assets which are carried at re-valued amounts to be shown at their current market value at the balance sheet date. To achieve this land is subject to a full valuation every five Periods with periodic interim valuations. 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 Period, provided completion takes place prior to approval of the financial statements.

### *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 Turnover**

	<b>2013 £</b>
Rental income	3,762,916

## **3 Operating profit**

	<b>2013 £</b>
Is stated after charging/(crediting):	
Auditors' remuneration – audit	16,000
Auditors' remuneration – taxation	60,218
Impairment of goodwill	(9,378)

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

# Allied London Properties Limited

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

## 4 Interest

	2013 £
Interest receivable and similar income	
Other	7,622
	<hr/>
Interest payable and similar charges	
Amortisation of loan issue costs	122,157
Bank loans	2,536,395
	<hr/>
	2,658,552
	<hr/>

## 5 Taxation on profit on ordinary activities

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

	2013 £
Profit on ordinary activities before tax	2,456,465
Profit on ordinary activities at the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	571,127
Effects of:	
Expenses not deductible for tax purposes	-
Losses received from group companies	(571,127)
	<hr/>
Current tax charge for period	-
	<hr/>

## 6 Tangible assets

	Land £	Investment properties £	Total £
Acquired through acquisition of subsidiary undertakings	200,000	25,491,462	25,691,462
Additions	1,783,741	3,735,108	5,518,849
Revaluations	-	3,646,961	3,646,961
Disposals	(1,983,741)	(15,209,752)	(17,193,493)
	<hr/>	<hr/>	<hr/>
At 31 December 2013	-	17,663,779	17,663,779
	<hr/>	<hr/>	<hr/>

# Allied London Properties Limited

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

### Tangible assets (continued)

The land was sold on 11<sup>th</sup> December 2013 for a consideration of £2,920,000 and an investment property was disposed of on 13<sup>th</sup> December 2013 for £23,075,000, net sale proceeds were as follows:

	£
Sale proceeds	25,995,000
Less escrow account on disposal	(1,641,855)
Less selling costs	(360,219)
	<hr/>
Net proceeds	23,992,926
	<hr/>

The properties were valued at 31 December 2013 by the directors on the basis of their open market value. The directors had the benefit of third party valuations and these formed the basis of the directors valuations.

### 7 Intangible assets

	Total
	£
Goodwill acquired through acquisition of subsidiary undertakings	(9,378)
Impairment of goodwill	9,378
	<hr/>
At 31 December 2013	-
	<hr/>

### 8 Subsidiary undertakings

The principal subsidiary undertakings, which are wholly-owned and registered in England unless otherwise shown, are as follows:

Name of subsidiary undertaking	Nature of business	Holding %	
Allied London Holdco Limited	Holding company	100%	Direct
Allied London Holdco Two Limited	Property Investment	100%	Indirect
Allied London Holdco Three Limited	Holding company	100%	Indirect
Allied London Holdco Four Limited	Holding company	100%	Indirect
Spinningfields Owning Company	Estate owning company	100%	Direct
Spinningfields Management Company	Management company	100%	Direct
3 Hardman Square Retail Limited	Property Investment	100%	Indirect
4 Hardman Square Retail Limited	Property Investment	100%	Indirect
Magistrates Court Retail Investments Limited	Property Investment	100%	Indirect
Allied London (Manchester House) Limited	Property Investment	100%	Indirect
Irwell Square Retail Limited	Property Investment	100%	Indirect
Hardman Square Investments Limited	Property Investment	100%	Indirect
2 Hardman Boulevard Investments Limited	Property Investment	100%	Indirect
Allied London Tivoli 201 Limited	Property Investment	100%	Indirect
Spinningfields Estates Limited	Property Investment	100%	Indirect
Spinningfields Investment Limited	Property Investment	100%	Indirect
Oast House Spinningfields Limited	Property Investment	100%	Indirect

# Allied London Properties Limited

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

<b>9 Stocks</b>	<b>Group 2013 £</b>	<b>Company 2013 £</b>
Work in progress	51,552	-
	<hr/>	<hr/>
<b>10 Debtors: amounts falling due within one year</b>	<b>Group 2013 £</b>	<b>Company 2013 £</b>
Trade debtors	1,743,761	-
Other debtors	2,660,313	1,500
Prepayments and accrued income	4,522,055	-
Amounts due from group undertakings	2,644,160	283,348
	<hr/>	<hr/>
	11,570,289	284,848
	<hr/>	<hr/>
<b>11 Creditors: amounts falling due within one year</b>	<b>Group 2013 £</b>	<b>Company 2013 £</b>
Trade creditors	1,894,529	1,800
Other creditors	3,986,036	-
Amounts due to group undertakings	2,202,518	290,552
Accruals and deferred income	4,079,791	-
	<hr/>	<hr/>
	12,162,874	292,352
	<hr/>	<hr/>
<p>£3,329,988 of other creditors relate to amounts owed under a Joint Venture agreement with one of the group's lenders. Under the terms of the agreement, 40% of the profit of certain companies in the group is due payable to the lender.</p>		
<b>12 Creditors: amounts falling due after more than one year</b>	<b>Group 2013 £</b>	<b>Company 2013 £</b>
Bank overdrafts and loans	15,593,008	-
	<hr/>	<hr/>

Bank loans were taken out on 14 December 2012 and are repayable in full on 14 December 2015.

Interest is charged on £8,426,342 of the bank loans at a fixed interest rate of 10%. The remaining £7,166,666 is charged at LIBOR plus a margin of 3.45%-3.70% and mandatory costs.

There is a hedge agreement in place on £7,166,666 of the group's bank loans until 14 December 2014 with 50% capped at 1.25% and 50% with swap rate at 0.96%.

# Allied London Properties Limited

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

## 13 Share capital

	Authorised 2013 Number	2013 £
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
	Allotted, issued and fully paid 2013 Number	2013 £
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

## 14 Reserves

Group	Revaluation Reserve £	Profit and loss Account £
Retained profit for the period	-	2,456,465
Revaluation of investment properties	2,188,177	-
	<hr/>	<hr/>
Balance at 31 December 2013	2,188,177	2,456,465
	<hr/>	<hr/>
Company		Profit and loss Account £
Retained loss for the period		7,500
		<hr/>
Balance at 31 December 2013		7,500
		<hr/>

The profit and loss account of the company is not included in these accounts. The amount of the loss after taxation for the year dealt with in the accounts of the company is £7,500.



# Allied London Properties Limited

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

## 15 Reconciliation of operating profit to operating cash flows

	£
Operating profit	5,107,395
Impairment of goodwill	(9,378)
Profit on sale of Investment properties	(6,799,433)
Increase in stock	(51,552)
Increase in debtors	(3,816,425)
Decrease in creditors	(17,689,572)
	<u>(23,258,965)</u>

## 16 Reconciliation of net cash flow to movement in net debt

	£
Increase in cash in the period	3,115,004
Cash inflow increase in debt	(15,593,008)
	<u>(12,478,004)</u>
Change in net debt resulting from cash flows	(12,478,004)
	<u>(12,478,004)</u>
Movement in net debt in the period	(12,478,004)
Opening net debt	-
	<u>(12,478,004)</u>
Closing net debt	(12,478,004)

## 17 Analysis of net debt

	Opening Balance £	Acquisitions £	Cashflow movements £	Closing Balance £
Cash at bank and in hand	-	1,506,628	1,608,376	3,115,004
Debt due within and after one year	-	-	(15,593,008)	(15,593,008)
	<u>-</u>	<u>1,506,628</u>	<u>(13,984,632)</u>	<u>(12,478,004)</u>

# Allied London Properties Limited

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

## 18 Contingent liability

The group's assets have been given as security for £15,593,008 of bank and other loans drawn by the group.

## 19 Acquisitions

On 17<sup>th</sup> December 2012 the Group acquired the following trading subsidiaries for £6,670,971 paid by cash and financed by new bank borrowings.

Company Name	Nature of business
3 Hardman Square Retail Limited	Property Investment
4 Hardman Square Retail Limited	Property Investment
Magistrates Court Retail Investments Limited	Property Investment
Allied London (Manchester House) Limited	Property Investment
Irwell Square Retail Limited	Property Investment
Hardman Square Investments Limited	Property Investment
2 Hardman Boulevard Investments Limited	Property Investment
Allied London Tivoli 201 Limited	Property Investment
Spinningfields Estates Limited	Property Investment
Spinningfields Investment Limited	Property Investment
Oast House Spinningfields Limited	Property Investment

The acquisition was accounted for using the acquisition method. The net assets of these trading subsidiaries at 17 December 2012 are set out below, there was no difference between the fair value and the book values of the net assets at that date, which were:

	Book and fair value £
Fixed assets	
Investment properties	25,691,462
Current assets	
Debtors	7,180,975
Cash at bank and in hand	573,085
	<hr/>
	7,754,060
Current liabilities	
Creditors	(26,805,220)
	<hr/>
	(26,805,220)
Net current liabilities	(19,051,160)
	<hr/>
Net assets	6,640,302
	<hr/>

# Allied London Properties Limited

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

## Acquisitions (*continued*)

### Cashflows

	£
Cash consideration	6,670,971
Net assets acquired	6,640,302
	<hr/>
Goodwill on acquisition	30,669
	<hr/>

The results of the trading subsidiaries acquired prior to acquisition were as follows:

### Profit and loss account

	Period to 17 <sup>th</sup> December 2012 prior to acquisition £	Year end 31 December 2011 £
Turnover	1,575,712	1,150,070
Cost of sales	(1,898,075)	(1,516,612)
	<hr/>	<hr/>
Gross loss	(319,363)	(366,542)
Administration expenses	8,577,715	(11,622,825)
	<hr/>	<hr/>
Operating profit	8,257,715	(11,989,367)
Interest receivable	5,267	-
	<hr/>	<hr/>
Profit on ordinary activities before taxation	8,262,982	(11,989,367)
Taxation	43,141	-
	<hr/>	<hr/>
Profit on ordinary activities after taxation	8,306,123	(11,989,367)
	<hr/>	<hr/>

The credit relating to administration expenses is as a result of the reversal of prior year inter-company impairments amounting to £8,708,752.

# Allied London Properties Limited

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

## Acquisitions (*continued*)

### Statement of total recognised gains and losses

	£
Profit on ordinary activities after taxation	8,306,123
Dividends	(117,633)
Unrealised deficit on revaluation of investment properties	(1,868,260)
	<hr/>
Total recognised gains and losses for the period	6,320,230

### Consideration

	£
Cash consideration as above	6,670,971
Cash acquired	(573,085)
	<hr/>
Net outflow of cash	6,097,886
	<hr/>

On the 26<sup>th</sup> June 2013 the group acquired the following subsidiaries.

Company Name	Nature of business
Spinningfields Owning Company Limited	Estate owing company
Spinningfields Management Company Limited	Management company

The acquisition was accounted for using the acquisition method. The net assets of these subsidiaries at 26 June 2013 are set out below, there was no difference between the fair value and the book values of the net assets at that date, which were:

	Book and fair value £
Current assets	
Debtors	694,947
Cash at bank and in hand	933,543
	<hr/>
	1,628,490
Current liabilities	
Creditors	(1,588,443)
	<hr/>
	(1,588,443)
Net current liabilities	40,047
	<hr/>
Net assets	40,047
	<hr/>

# Allied London Properties Limited

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

## Acquisitions (*continued*)

### Consideration

	£
Cash consideration	-
Net assets acquired	40,047
	<hr/>
Negative goodwill on acquisition	40,047
	<hr/>

The results of the trading subsidiaries acquired prior to acquisition were as follows:

### Profit and loss account

	Current period up to acquisition £	Year end 31 December 2011 £
Turnover	5,000	14,481
Cost of sales	-	(10,000)
	<hr/>	<hr/>
Gross profit	5,000	4,481
	<hr/>	<hr/>
Operating profit	5,000	4,481
	<hr/>	<hr/>
Profit on ordinary activities before and after taxation	5,000	4,481
	<hr/>	<hr/>

### Cashflows

	£
Cash consideration as above	-
Cash acquired	933,543
	<hr/>
Net inflow of cash	933,543
	<hr/>

# Allied London Properties Limited

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

### 20 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.

The company purchased a number of trading subsidiaries from Cork Street Properties Limited, a related undertaking, for an amount of £6,670,971.

Included in debtors at 31 December 2013 are the following amounts due from related undertakings:

	£
Cork Street Properties Limited	2,422,651
3 Hardman Street Investments Limited	168,378
Capital Debt Holdco Limited	100
Spinningfields Square Investments Limited	53,031

Included in creditors at 31 December 2013 are the following amounts due to related undertakings:

	£
Cork Street Properties Management Limited	1,950,302
Capital Properties (UK) Two Limited	250,000
Allied Limefort Limited	2,216

During the period the group was charged asset management fees of £375,000 by Capital Properties (UK) Two Limited, a related undertaking.

### 21 Ultimate parent company

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