

Allied London Properties Limited

Report and Financial Statements

Year Ended

31 December 2014

Company Number 08296768

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Allied London Properties Limited

Report of the directors for the year ended 31 December 2014

The directors present their annual report and audited financial statements of the company for the year ended 31 December 2014

Principal activities and trading review

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

The company made a profit of £nil (2013 loss of £7,500) during the financial year. The directors do not recommend the payment of a dividend.

The group made a profit of £2,314,373 (2013 £2,456,465) during the financial year.

Directors

The directors of the company during the financial year were

M J Ingall
F P Graham-Watson
S P Lyell
A Campbell (appointed 17 December 2014)

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 investment properties were valued at 31 December 2014 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 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 year. 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 year ended 31 December 2014 (*continued*)

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



A Campbell

Director

30 June 2015

Allied London Properties Limited

Independent auditor's report

TO THE MEMBERS OF ALLIED LONDON PROPERTIES LIMITED

We have audited the financial statements of Allied London Properties Limited for the year ended 31 December 2014 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, the consolidated note of historical cost profits 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 group's and the parent company's affairs as at 31 December 2014 and of the group's 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 Properties 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 and to the exemption from the requirements to prepare a strategic report



*Alexander Tapp (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

30 June 2015

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 year ended 31 December 2014

		2014	Period from 16 November 2012 to 31 December 2013 £
	Note		
Turnover	2	6,092,858	3,762,916
Cost of sales		(7,087,145)	(3,322,465)
Gross (loss)/profit		(994,287)	440,451
Administrative expenses	3	(520,714)	(2,668,609)
Administrative expenses -Permanent diminution of investment property		(1,656,411)	-
		(2,177,125)	(2,668,609)
Other income		775,000	536,120
Profit on disposal of investment property		6,093,298	6,799,433
Profit on ordinary activities before interest and taxation		3,696,886	5,107,395
Interest receivable and similar income	4	35,074	7,622
Interest payable and similar charges	4	(1,417,587)	(2,658,552)
Profit on ordinary activities before taxation		2,314,373	2,456,465
Taxation on ordinary activities	5	-	-
Profit after taxation	5, 13	2,314,373	2,456,465

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 17 form part of these financial statements


Allied London Properties Limited

Balance sheet
at 31 December 2014

<i>Company number 08296768</i>	Note	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Fixed assets					
Investment properties and land	6	17,594,490	17,663,779	-	-
Investments in subsidiaries	7	-	-	205	104
		<u>17,594,490</u>	<u>17,663,779</u>	<u>205</u>	<u>104</u>
Current assets					
Stocks	8	-	51,552	-	-
Debtors	9	11,404,885	11,570,289	12,876,779	284,848
Cash at bank and in hand		994,869	3,115,004	-	-
		<u>12,399,754</u>	<u>14,736,845</u>	<u>12,876,779</u>	<u>284,848</u>
Current liabilities					
Creditors' amounts falling due within one year	10	(9,199,035)	(12,162,874)	(12,884,384)	(292,352)
Net current assets/(liabilities)		<u>3,200,719</u>	<u>2,573,971</u>	<u>(7,605)</u>	<u>(7,504)</u>
Creditors' amounts falling due after more than one year	11	(10,108,614)	(15,593,008)	-	-
Net assets/(liabilities)		<u>10,686,595</u>	<u>4,644,742</u>	<u>(7,400)</u>	<u>(7,400)</u>
Capital and reserves					
Called up share capital	12	100	100	100	100
Revaluation reserve	13	3,727,480	2,188,177	-	-
Profit and loss account	13	6,959,015	2,456,465	(7,500)	(7,500)
Shareholders' funds/(deficit)		<u>10,686,595</u>	<u>4,644,742</u>	<u>(7,400)</u>	<u>(7,400)</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 30 June 2015



A Campbell
Director

The notes on pages 9 to 17 form part of these financial statements

Allied London Properties Limited

Group statement of total recognised gains and losses, reconciliation of movements in shareholders' funds and note of historical cost profits for the year ended 31 December 2014

	2014	Period from 16 November 2012 to 31 December 2013
	£	£
Statement of total recognised gains and losses		
Profit for the financial year	2,314,373	2,456,465
Unrealised surplus on revaluation of investment properties	3,727,480	2,188,177
	<hr/>	<hr/>
Total recognised gains in the year	6,041,853	4,644,642
	<hr/>	<hr/>
Reconciliation of movements in shareholders' funds	£	£
Profit for the financial year	2,314,373	2,456,465
Unrealised surplus on revaluation of investment properties	3,727,480	2,188,177
	<hr/>	<hr/>
Net increase in shareholders' funds	6,041,853	4,644,642
Opening shareholders' funds	4,644,742	-
Shares issued in the period	-	100
	<hr/>	<hr/>
Closing shareholders' funds	10,686,595	4,644,742
	<hr/>	<hr/>
Note of historical cost profits		
Reported profit on ordinary activities before taxation	2,314,373	2,456,465
Realisation of property revaluation gains of previous years	2,188,177	-
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation	4,502,550	2,456,465
	<hr/>	<hr/>
Historical cost profit for the year retained after taxation	4,502,550	2,456,465
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The notes on pages 9 to 17 form part of these financial statements

Allied London Properties Limited

Consolidated cash flow statement for the year ended 31 December 2014

		2014	2014	Period from 16 November 2012 to 31 December 2013	Period from 16 November 2012 to 31 December 2013
	Note	£	£	£	£
Cash outflow from operating activities	14		(6,587,501)		(23,258,965)
Net cash outflow on returns on investment and servicing of finance					
Interest received		35,074		7,622	
Interest paid		(1,417,587)		(2,658,552)	
Loan issue costs amortised		-		122,157	
			(1,382,513)		(2,528,773)
Capital expenditure and financial investment					
Additions to investment properties		(12,140,035)		(5,518,849)	
Sale of investment properties		23,474,309		23,992,926	
			11,334,274		18,474,077
Acquisitions and disposals					
Acquisition of subsidiary undertakings		(1)		(6,670,971)	
Net cash acquired with subsidiary undertakings		-		1,506,628	
			(1)		(5,164,343)
Net cash inflow/(outflow) before use of liquid resources and financing			3,364,259		(12,478,004)
Financing					
Loan issue costs					
New loans		11,058,496		37,181,842	
Interest rolled into loan balance		936,893		1,780,528	
Repayment of bank loans		(17,479,783)		(23,369,362)	
Net cash (outflow)/inflow from financing			(5,484,394)		15,593,008
(Decrease)/increase in cash in year			(2,120,135)		3,115,004

The notes on pages 9 to 17 form part of these financial statements

Allied London Properties Limited

Notes forming part of the financial statements for the year ended 31 December 2014

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 2014 or in the case of undertakings acquired during the year for the year of ownership under the acquisition method of accounting

Turnover

Turnover which is exclusive of service charges and VAT, includes development management income, 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 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

Assets in the course of construction

Assets in the course of construction are carried at the lower of cost and net realisable value

Stocks

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 year ended 31 December 2014 (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 Turnover

	2014 £	2013 £
Rental income	2,513,147	3,759,166
Development management income	3,123,944	-
Other	455,767	3,750
	<u>6,092,858</u>	<u>3,762,916</u>

3 Operating profit

	2014 £	2013 £
Is stated after charging/(crediting)		
Auditors' remuneration – audit	44,000	16,000
Auditors' remuneration – taxation	13,700	60,218
Impairment of negative goodwill	(36,056)	(9,378)
	<u></u>	<u></u>

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

Other income relates to surrender premiums received from tenants on early termination of leases

4 Interest

	2014 £	2013 £
Interest receivable and similar income		
Other	35,074	7,622
	<u></u>	<u></u>
Interest payable and similar charges		
Amortisation of loan issue costs	-	122,157
Bank loans	1,417,587	2,536,395
	<u>1,417,587</u>	<u>2,658,552</u>

Allied London Properties Limited

Notes forming part of the financial statements for the year ended 31 December 2014 (continued)

5 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

	2014 £	2013 £
Profit on ordinary activities before tax	2,314,373	2,456,465
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21.50% (2013 – 23.25%)	497,590	571,127
Effects of Utilisation of previously unrecognised tax losses	(497,590)	-
Losses received from group companies	-	(571,127)
	<hr/>	<hr/>
Current tax charge for year	-	-
	<hr/>	<hr/>

6 Tangible assets

	Investment properties £	Assets under construction £	Total £
At 1 January 2014	17,663,779	-	17,663,779
Additions	6,264,386	5,875,649	12,140,035
Revaluations	5,371,046	-	5,371,046
Transferred to assets under construction	(4,415,390)	4,415,390	-
Permanent diminution	(1,656,411)	-	(1,656,411)
Disposals	(15,923,958)	-	(15,923,958)
	<hr/>	<hr/>	<hr/>
At 31 December 2014	7,303,451	10,291,039	17,594,490
	<hr/>	<hr/>	<hr/>

The investment properties were valued at 31 December 2014 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 director's valuations. Included within additions for the year are capitalised finance costs of £70,712.

The investment properties were sold on 19 November 2014 for a consideration of £23,718,411. Net profit on disposals was as follows:

	£
Consideration	23,718,411
Less selling costs	(244,103)
	<hr/>
Net proceeds	23,474,308
Release of accrued sale costs	314,418
Release of UITF28 debtor	(3,504,669)
Release of accrued costs payable on disposal of properties	1,733,199
Disposal of investment property	(15,923,958)
	<hr/>
Profit on disposal of investment properties	6,093,298
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Allied London Properties Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

7 Subsidiary undertakings

The principal subsidiary undertakings, which are wholly-owned and registered in England 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
Allied London Holdco Seven Limited	Holding company	100%	Direct
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
1 Spinningfields 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
2 Hardman Boulevard Developments Limited	Property Development	100%	Indirect
1 Spinningfields Developments Limited	Property Development	100%	Indirect
1 Hardman Street Developments Limited	Property Development	100%	Indirect
1 Spinningfields Holdco Limited	Holding company	100%	Indirect
1 Spinningfields Finance Limited	Holding company	100%	Indirect
3 Hardman Street Investments Two Limited	Property Investment	100%	Indirect
Allied Holdco Five Limited	Holding company	100%	Indirect

The company acquired the share capital of Allied London Holdco Seven Limited on 1 December 2014 for £100 and the share capital of 1 Spinningfields Developments for £1 on 11 December 2014

8 Stocks

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Work in progress	-	51,552	-	-

9 Debtors. amounts falling due within one year

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Trade debtors	563,695	1,743,761	-	-
Other debtors	4,637,518	2,660,313	1,500	1,500
Prepayments and accrued income	331,311	4,522,055	-	-
Amounts due from group undertakings	5,922,836	2,644,160	12,875,279	283,348
Provision for doubtful debts	(50,475)	-	-	-
	11,404,885	11,570,289	12,876,779	284,848

Allied London Properties Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

10 Creditors: amounts falling due within one year	Group	Group	Company	Company
	2014	2013	2014	2014
	£	£	£	£
Trade creditors	2,664,901	1,894,529	-	1,800
Other creditors	2,048,056	3,986,036	-	-
Amounts due to group undertakings	3,483,034	2,202,518	12,884,384	290,552
Accruals and deferred income	1,003,044	4,079,791	-	-
	<u>9,199,035</u>	<u>12,162,874</u>	<u>12,884,384</u>	<u>292,352</u>

£1,643,566 (2013 £3,329,988) of other creditors relate to amounts owed under a Joint Venture Agreement. Under the terms of the agreement, 40% of the profit from sale of certain properties within the group is due payable to the Joint Venture Investor.

11 Creditors: amounts falling due after more than one year	Group	Group	Company	Company
	2014	2013	2014	2013
	£	£	£	£
Bank and other loans	10,108,614	15,593,008	-	-

£10,108,614 of the bank and other loans are repayable on 30 June 2016.

Interest is charged on £6,663,813 of the bank loans at a fixed interest rate of 10%. The remaining £3,444,801 is charged at 5.25%.

12 Share capital

	2014	2014	Authorised	2013
	Number	£	2013	2013
			Number	£
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
			Allotted, issued and fully paid	
	2014	2014	2013	2013
	Number	£	Number	£
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Allied London Properties Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

13 Reserves

Group	Revaluation Reserve £	Profit and loss Account £
Balance at 01 January 2014	2,188,177	2,456,465
Retained profit for the year	-	2,314,373
Transfer on disposal of investment properties	(2,188,177)	2,188,177
Revaluation of investment properties	3,727,480	-
	<hr/>	<hr/>
Balance at 31 December 2014	3,727,480	6,959,015
	<hr/>	<hr/>
Company		Profit and loss Account £
Balance at 1 January 2014		7,500
		<hr/>
Balance at 31 December 2014		7,500
		<hr/>

The profit and loss account of the company is not included in these accounts. The company did not trade during the year.

14 Reconciliation of operating profit to operating cash flows

	2014 £	2013 £
Operating profit	3,696,886	5,107,395
Impairment of fixed assets	1,656,411	(9,378)
Profit on disposal of investment properties	(6,093,298)	(6,799,433)
Decrease / (increase) in stock	51,552	(51,552)
Increase in debtors	(3,339,554)	(3,816,425)
Decrease in creditors	(2,559,498)	(17,689,572)
	<hr/>	<hr/>
	(6,587,501)	(23,258,965)

Allied London Properties Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

15 Reconciliation of net cash flow to movement in net debt

	2014 £	Period from 16 November 2012 to 31 December 2013 £
(Decrease) / increase in cash in the year	(2,120,135)	3,115,004
Cash inflow from a decrease / (increase) in debt	5,484,394	(15,593,008)
	<hr/>	<hr/>
Change in net debt resulting from cash flows	3,364,259	(12,478,004)
	<hr/>	<hr/>
Movement in net debt in the year	3,364,259	(12,478,004)
Opening net debt	(12,478,004)	-
	<hr/>	<hr/>
Closing net debt	(9,113,745)	(12,478,004)
	<hr/>	<hr/>

16 Analysis of net debt

	Opening Balance £	Cashflows £	Closing Balance £
Cash at bank and in hand	3,115,004	(2,120,135)	994,869
Debt due within and after one year	(15,593,008)	5,484,394	(10,108,614)
	<hr/>	<hr/>	<hr/>
	(12,478,004)	3,364,259	(9,113,745)
	<hr/>	<hr/>	<hr/>

17 Contingent liability

The group's assets have been given as security for £10,108,614 (2013 £15,593,008) of bank and other loans drawn by the group

Allied London Properties Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

18 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

Included in debtors at 31 December 2014 are the following amounts due from related undertakings

	2014 £	2013 £
Immediate parent Company	684,603	-
Fellow group undertakings	5,238,233	2,644,160
	<hr/>	<hr/>
Balance at 31 December 2014	5,922,836	2,644,160
	<hr/>	<hr/>

Included in creditors at 31 December 2014 are the following amounts due to related undertakings

	2014 £	2013 £
Fellow group undertakings	3,483,034	2,202,518
	<hr/>	<hr/>
Balance at 31 December 2014	3,483,034	2,202,518
	<hr/>	<hr/>

During the year the group was charged asset management fees of £375,000 by Capital Properties (UK) Two Limited and £93,750 by Allied London Development Management Limited, both related undertakings

Allied London Properties Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

19 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.

20 Acquisitions

On 10 December 2014 the Group acquired 1 Spinningfields Developments Limited (previously called 1 The Avenue Developments Limited) for £1 paid by cash.

The acquisition was accounted for using the acquisition method. The net assets of 1 Spinningfields Developments Limited at 10 December 2014 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	36,056
	<hr/>
Net assets	36,056
	<hr/>

Cashflows

	£
Cash consideration	1
Net assets acquired	36,056
	<hr/>
Goodwill on acquisition	36,056
	<hr/>

1 Spinningfields Developments Limited did not trade in 2014 or the preceding year.

Allied London Properties Limited

Independent auditor's report

TO THE MEMBERS OF ALLIED LONDON PROPERTIES LIMITED

We have audited the financial statements of Allied London Properties Limited for the year ended 31 December 2014 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, the consolidated note of historical cost profits 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 *groups and the parent* company's affairs as at 31 December 2014 and of *the group's* 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.