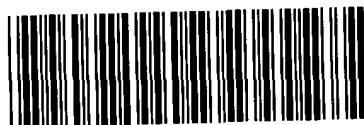


**ALLIED LONDON LEEDS HOLDING COMPANY THREE LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED TO 31 DECEMBER 2017**

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**Allied London Leeds Holding Company Three Limited
Directors' Report and Financial Statements
For the Year Ended 31 December 2017**

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Allied London Leeds Holding Company Three Limited
Company Information
For the Year Ended 31 December 2017

Directors

Mr F P Graham-Watson
Mr M J Ingall
Mr J Raine
Mr S Gorasia

Company Number

09904595

Registered Office

2nd Floor
HQ Building
2 Atherton Street
Manchester
M3 3GS

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Allied London Leeds Holding Company Three Limited
Company No. 9904595
Directors' Report For the Year Ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

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.

Principle Activity

The principle activity of the company continues to be that of a holding company.

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.

Going Concern

The company is a guarantor to external debt held by a related group undertaking which falls due for repayment on 28 April 2018 although this has subsequently been extended to 31 August 2018. The repayment is dependent on the disposal of a property held in an indirect subsidiary or successful refinancing. For further details of this, please refer to note 1.8.

Directors

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

Mr F P Graham-Watson

Mr M J Ingall

Mr S P Lyell (Resigned 13 March 2018)

Mr A J Campbell (Resigned 13 March 2018)

Mr J Raine

Mr S Gorasia

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.

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.

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

By order of the board



Mr F P Graham-Watson

Director

Date 27 June 2018

Allied London Leeds Holding Company Three Limited
Auditor's Report
For the Year Ended 31 December 2017

Independent Auditor's Report to the Members of Allied London Leeds Holding Company Three Limited

Opinion

We have audited the financial statements of Allied London Leeds Holding Company Three Limited ("the Company") for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and 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 2017 and of its result 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.

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.

Material uncertainty related to a going concern

We draw attention to note 1.8 to the financial statements, which explains that the company is a guarantor to external debt held by a related group undertaking banking finance of £12.4 million which is due for repayment on 28 April 2018, although this has subsequently been extended to 31 August 2018. The directors of the related borrower are exploring a number of options, including refinancing with existing or new lenders or a potential sale of the property, though no agreements have been signed at the date of these financial statements. As stated in note 1.8, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report, 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 report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Allied London Leeds Holding Company Three Limited
Auditor's Report (continued)
For the Year Ended 31 December 2017

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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; or
- The directors were entitled to take advantage of the small companies' exemptions in preparing the Director's report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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

Date *27 June 2018*

BDO LLP
55 Baker Street
London
W1U 7EU

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

Allied London Leeds Holding Company Three Limited
Statements of Comprehensive Income and Changes in Equity
For the Year Ended 31 December 2017

The company has not traded during the period. During both the current year and prior period, the company received no income and incurred no expenditure and therefore made neither profit nor loss. As a result, no Statement of Comprehensive Income is presented.

	Share Capital £	Profit & Loss Account £	Total £
Shares issued on incorporation on 7 December 2015	100	-	100
Comprehensive income for the period			
Results for the period	-	-	-
As at 31 December 2016	<u>100</u>	<u>-</u>	<u>100</u>
As at 1 January 2017			
	100	-	100
Comprehensive income for the year			
Results for the year	-	-	-
As at 31 December 2017	<u>100</u>	<u>-</u>	<u>100</u>

The notes on pages 7 to 8 form part of these financial statements

Allied London Leeds Holding Company Three Limited
Statement of Financial Position
For the Year Ended 31 December 2017

Company No. 09904595	Notes	31 December 2017		Period to 31 December 2016	
		£	£	£	£
FIXED ASSETS					
Investments	4		600		600
			<u>600</u>		<u>600</u>
Creditors: Amounts Falling Due Within One Year	5	<u>(500)</u>		<u>(500)</u>	
NET CURRENT ASSETS			<u>100</u>		<u>100</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>100</u>		<u>100</u>
NET ASSETS			<u>100</u>		<u>100</u>
CAPITAL AND RESERVES					
Called up share capital	6		<u>100</u>		<u>100</u>
SHAREHOLDERS' FUNDS			<u>100</u>		<u>100</u>

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

These financial statements were approved by the board of directors and authorised for issue on 27 June 2018

FP Graham-Watson

Mr F P Graham-Watson
Director

The notes on pages 7 to 9 form part of these financial statements

Allied London Leeds Holding Company Three Limited
Notes to the Accounts
For the Year Ended 31 December 2017

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - the Financial Reporting Standard applicable in the UK and 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 1.7).

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

1.2. Statement of Cash Flow

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.3. Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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.

Finance costs

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

1.5. 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. Preparation of Consolidated Financial Statements

The company has taken advantage of the exemption allowed by Financial Reporting Standard 102, "Consolidated and separate financial statements", Section 9.3A not to prepare consolidated accounts on the basis that the company and the group qualify as small as permitted by sections 384 and 399 (2A) of Companies Act 2006.

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

In preparing these financial statements, the directors have made the following judgements:

Carrying value of investments

The company holds investments stated at cost less accumulated impairment. The company has established internal controls designed to effectively assess and centrally review inventory carrying values and ensure the appropriateness of the estimates made.

1.8. Going Concern

As at 31 December 2017, the company was a guarantor to borrowings amounting to £12.4 million held by a related group undertaking which were due for repayment on 28 April 2018. Subsequent to the year end the lender has agreed to extend the repayment date to 31 August 2018 for these borrowings. These borrowings are secured on a leasehold property held by an indirect subsidiary. The directors acknowledge that the repayment of these loans will be satisfied through the disposal of the property or refinancing with the existing or new lenders.

The directors of the related borrower are exploring a number of options, including refinancing with existing or new lenders or a potential sale of the property, though no agreements have been signed at the date of these financial statements. The directors believe that the anticipated net proceeds of any refinancing or sale will be sufficient to settle the financial indebtedness in full.

As at the date of these financial statements, the ability of the Company to refinance in advance of the repayment of the existing facilities is uncertain as is the result of any marketing of the property for sale. These circumstances indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern. Due to ongoing negotiations and relationships with potential lenders and prospective buyers, these financial statements have been prepared on a going concern basis as the board considers that the Company will be able to continue to trade as a going concern and meet its liabilities as they fall due.

Allied London Leeds Holding Company Three Limited
Notes to the Accounts (continued)
For the Year Ended 31 December 2017

2. Operating Profit

Audit fees were borne by Allied London One Limited, a wholly owned subsidiary.

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

3. Average number of employees

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

	Year to 31 December 2017	Period to 31 December 2016
Directors	6	6
	<u>6</u>	<u>6</u>

4. Investments

	Investments £
Cost	
As at 31 December 2016	600
Additions	<u>-</u>
As at 31 December 2017	<u>600</u>
Provision	
As at 31 December 2016	<u>-</u>
As at 31 December 2017	<u>-</u>
Net Book Value	
As at 31 December 2017	<u>600</u>
As at 31 December 2016	<u>600</u>

The company owns the entire issued share capital of Allied London Leeds Development Management Limited, a property development company, and Allied London One Limited, a property investment company. Both companies are registered in England and Wales with the Registered Office for both being 2nd Floor, HQ Building, 2 Atherton Street, Manchester, M3 3GS

5. Creditors: Amounts Falling Due Within One Year

Year to 31 December 2017	Period to 31 December 2016
£	£
<u>500</u>	<u>500</u>

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

6. Share Capital

	Value	Number	Year to 31 December 2017	Period to 31 December 2016
	£		£	£
Allotted, called up and fully paid				
Ordinary shares	1.000	<u>100</u>	<u>100</u>	<u>100</u>

Allied London Leeds Holding Company Three Limited
Notes to the Accounts (continued)
For the Year Ended 31 December 2017

7. Contingent Liabilities

The company is a guarantor of loans taken out by group companies.
These loans are also secured over the assets of other group companies.

Year to 31 December 2017	Period to 31 December 2016
£	£
12,411,696	8,754,125

8. 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. There are no other related party transactions other than as disclosed.

9. Ultimate Controlling Party

The company's immediate parent company is Allied London Leeds Holding Company Two Limited Limited. The directors consider the ultimate parent company to be Capital Holdco Limited, a company registered in the British Virgin Islands.

10. Financial Instruments

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

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

	2017 £	2016 £
Financial liabilities		
Financial liabilities measured at amortised cost	500	500

Financial liabilities measured at amorist cost comprise amounts due to group undertakings.

11. General Information

Allied London Leeds Holding Company Three Limited, registered number 09903545, is a limited by shares company incorporated in England & Wales. The Registered Office is 2nd Floor, HQ Building, 2 Atherton Street, Manchester, M3 3GS.