

**1 SPINNINGFIELDS DEVELOPMENTS LTD  
DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**1 Spinningfields Developments Ltd**  
**Directors' Report and Financial Statements**  
**For The Year Ended 31 December 2016**

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**Contents**

	<b>Page</b>
Company Information	1
Directors' Report	2
Auditor's Report	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Notes to the Financial Statements	7—10

**1 Spinningfields Developments Ltd**  
**Company Information**  
**For The Year Ended 31 December 2016**

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**Directors**

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

**Secretary**

Mr A J Campbell

**Company Number**

05931958

**Registered Office**

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

**Auditors**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

**1 Spinningfields Developments Ltd**  
**Company No. 05931958**  
**Directors' Report For The Year Ended 31 December 2016**

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The directors present their report and the financial statements for the year ended 31 December 2016.

**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 company's principal activity continues to be that of property development.

**Directors**

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

Mr F P Graham-Watson

Mr M J Ingall

Mr S P Lyell

Mr A J Campbell

Mr S P Gorasia

APPOINTED

15/08/2016

Mr J Raine

**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 A J Campbell  
Director

Date     30/06/2017

**1 Spinningfields Developments Ltd  
Auditor's Report  
For The Year Ended 31 December 2016**

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**Independent Auditor's Report to the Members of 1 Spinningfields Developments Ltd**

We have audited the financial statements of 1 Spinningfields Developments Ltd for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity 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 (FRC) 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 FRC'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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Emphasis of matter – Going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company is a guarantor to external debt held by a related group undertaking which falls due for repayment on 31 December 2017. The repayment is dependent on the disposal of a property held in an indirect subsidiary or successful refinancing. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

**Opinion on Other Matter 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 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.

**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 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;
- the financial statements are not in agreement with the accounting records or returns;
- certain disclosures of directors' remuneration specified by law are not made;
- 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 take advantage of the small companies' exemption in preparing the strategic report.



Alexander Tapp (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Date 30 June 2017  
BDO LLP  
55 Baker Street  
London W1U 7EU

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

**1 Spinningfields Developments Ltd**  
**Statement of Comprehensive Income**  
**For The Year Ended 31 December 2016**

	Notes	2016 £	2015 £
<b>TURNOVER</b>		<b>48,187,343</b>	<b>18,807,472</b>
Cost of sales		(47,711,415)	(18,621,160)
<b>GROSS PROFIT</b>		<b>475,928</b>	<b>186,312</b>
Administrative expenses		(54)	(297)
Bank interest receivable		129	-
<b>PROFIT BEFORE AND AFTER TAXATION FOR THE YEAR</b>	<b>2</b>	<b>476,003</b>	<b>186,015</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>476,003</b>	<b>186,015</b>
All amounts relate to continuing activities.			

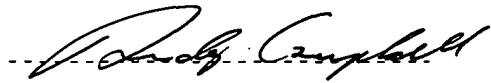
The notes on pages 7 to 10 form part of these financial statements

**1 Spinningfields Developments Ltd**  
**Statement of Financial Position**  
**For The Year Ended 31 December 2016**

Company No. 05931958		2016		2015	
	Notes	£	£	£	£
CURRENT ASSETS					
Debtors	5	16,329,710		7,320,451	
Cash at bank and in hand		434,444		955,667	
		<u>16,764,154</u>		<u>8,276,118</u>	
Creditors: Amounts Falling Due Within One Year	6	<u>(16,066,458)</u>		<u>(8,054,425)</u>	
NET CURRENT ASSETS			<u>697,696</u>		<u>221,693</u>
NET ASSETS			<u>697,696</u>		<u>221,693</u>
CAPITAL AND RESERVES					
Called up share capital	7		1		1
Profit and loss account			697,695		221,692
SHAREHOLDERS' FUNDS			<u>697,696</u>		<u>221,693</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 *30/06/2017*



Mr A J Campbell  
Director

**1 Spinningfields Developments Ltd**  
**Statement of Changes in Equity**  
**For The Year Ended 31 December 2016**

	Share Capital	Profit & Loss Account	Total
	£	£	£
As at 1 January 2015	1	35,677	35,678
<b>Comprehensive income for the year</b>			
Profit for the year	-	186,015	186,015
As at 31 December 2015	1	221,692	221,693
As at 1 January 2016	1	221,692	221,693
<b>Comprehensive income for the year</b>			
Profit for the year	-	476,003	476,003
As at 31 December 2016	1	697,695	697,696

The notes on pages 7 to 10 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 1.7).

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. 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 4 Statements of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Allied London Properties Limited as at 31 December 2016 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

### **1.3. Turnover**

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

### **1.4. Stocks and Work in Progress**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Work-in-progress is reflected in the accounts on a contract by contract basis by recording turnover and related costs as contract activity progresses.

### **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. 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.

### **1.7. 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.

### **1.8. Revenue Recognition**

1 Spinningfields Developments Ltd holds agreements with third party contractors to develop the property known as 1 Spinningfields. The property is owned by a fellow subsidiary group undertaking under Allied London 1 Spinningfields Unit Trust. Costs are recognised as and when the goods and services have been supplied and are recharged to the property owner at a margin. The Revenue is recognised as and when the good and services have been performed

## 1. Accounting Policies (continued)

### 1.9. Going Concern

As at 31 December 2016, the company was a guarantor to borrowings amounting to £28.2 million held by a related group undertaking which are due for repayment on 31 December 2017. These borrowings, along with those of a number of its related undertakings, 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, most likely the existing lenders.

The directors 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 companies holding external debt 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. Should the refinancing exercise or the marketing of the property be unsuccessful the lenders may exercise their rights against the company as a guarantor to the loan agreement. 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. However, these financial statements have been prepared on a going concern basis as due to ongoing negotiations and relationships with potential buyers and lenders, 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.

## 2. Operating Profit

Audit fees are borne by the ultimate parent company.

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

## 3. Average number of employees

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

	2016	2015
Directors	6	5

## 4. Tax on Profit on Ordinary Activities

	2016	2015	2016	2015
	£	£	£	£
UK Corporation Tax	20%	20%	-	-
<b>Profit on ordinary activities before tax</b>			<b>476,003</b>	<b>186,015</b>
<b>Breakdown of Tax Charge is:</b>				
Tax on profit at 20% (UK standard rate)			95,201	37,203
<b>Effects of:</b>				
Group relief utilised			(95,201)	(37,203)
<b>Total tax charge for the period</b>			<b>-</b>	<b>-</b>

**1 Spinningfields Developments Ltd**  
**Notes to the Accounts (continued)**  
**For The Year Ended 31 December 2016**

**5. Debtors**

	2016 £	2015 £
<b>Due within one year</b>		
Prepayments and accrued income	6,013,149	2,093,566
Other debtors	5,519,893	552,799
Amounts owed by group undertakings	4,796,668	4,674,086
	<u>16,329,710</u>	<u>7,320,451</u>

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

**6. Creditors: Amounts Falling Due Within One Year**

	2016 £	2015 £
Trade creditors	5,667,451	201,948
Other creditors	-	334,308
Accruals and deferred income	5,346,382	2,462,460
Amounts owed to group undertakings	5,052,625	5,055,709
	<u>16,066,458</u>	<u>8,054,425</u>

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

**7. Share Capital**

	Value £	Number	2016 £	2015 £
<b>Allotted, called up and fully paid</b>				
Ordinary shares	1.000	<u>1</u>	<u>1</u>	<u>1</u>

**8. Contingent Liabilities**

	2016 £	2015 £
The company is a guarantor of loans taken out by other group companies. These loans are also secured over the assets of other group companies. The total amount guaranteed by the company under these arrangements at the year-end amounted to	28,177,891	953,107
	<u>28,177,891</u>	<u>953,107</u>

**9. Capital Commitments**

	2016 £
At the end of the year, the company had capital commitments contracted for but not provided in these financial statements	19,481,454
	<u>19,481,454</u>

**10. Related Party Transactions**

**Lotus Development Management Limited**

Fellow group undertaking within the group headed by Capital Holdco Limited.

The company paid Lotus Development Management Limited £501,264 (2015: £581,011) in relation to management fees.

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 included in the consolidated financial statements of Allied London Properties Limited and are 100% owned. There are no other related party transactions other than as disclosed.

**11. Ultimate Controlling Party**

The company's immediate parent is 1 Spinningfields Holdco Ltd. The ultimate parent company is Capital Holdco Limited, a company incorporated in the British Virgin Islands.

**12. 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:

	2016 £	2015 £
Financial assets		
Financial assets measured at amortised cost	10,801,004	6,182,552
Financial liabilities		
Financial liabilities measured at amortised cost	10,720,076	5,476,075

Financial assets measured at amortised cost comprise cash, other debtors and amounts due from group undertakings.

Financial liabilities measured at amortised cost comprise trade and other creditors and amounts due to group undertakings.

**13. General Information**

1 Spinningfields Developments Ltd, registered number 05931958, is a Ltd by shares company incorporated in England & Wales. The Registered Office is 2nd Floor, HQ Building, 2 Atherton Street, Manchester, M3 3GS.