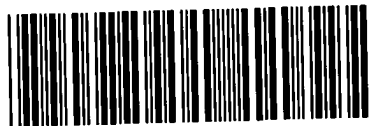


**1 SPINNINGFIELDS INVESTMENTS LTD
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

FRIDAY



L7FEWQ6X

L41

28/09/2018

#244

COMPANIES HOUSE

1 Spinningfields Investments Ltd
Directors' Report and Financial Statements
For The Year Ended 31 December 2017

Contents

	Page
Company Information	1
Directors' Report	2
Auditor's Report	3-4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8—12

1 Spinningfields Investments Ltd
Company Information
For The Year Ended 31 December 2017

Directors

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

Company Number

07278023

Registered Office

c/o Allied London
No. 1 Spinningfields
Level 12
1 Hardman Square
Manchester
M3 3EB

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

1 Spinningfields Investments Ltd
Company No. 07278023
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 year. 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 is that of an investment company.

Review of Business

During the year the company sold its entire investment in 1 Spinningfields Unit Trust (formerly Allied London 1 Spinningfields Unit Trust) for £161,934,133.

Dividends

Dividends of £10,531,186 were paid to the ordinary shareholders (2016: £nil)

Directors

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

Mr S Gorasia	Appointed 8 September 2017
Mr F P Graham-Watson	
Mr J Raine	
Mr S P Lyell	Resigned 30 March 2018
Mr A J Campbell	Resigned 24 March 2018
Mr M J Ingall	

Small Company Rules

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

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

Auditors

BDO have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board

.....FPGWL.....

Mr F P Graham-Watson
Director

Date

27/9/2018

1 Spinningfields Investments Ltd
Auditor's Report
For The Year Ended 31 December 2017

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

Opinion

We have audited the financial statements of 1 Spinningfields Investments Ltd ("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 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other Information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial 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 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 not entitled to prepare the financial statements in accordance with the small companies regime and 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.



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

Date 27 September 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)

1 Spinningfields Investments Ltd
Statement of Comprehensive Income
For The Year Ended 31 December 2017

	Notes	2017 £	2016 £
Revenue		-	-
Cost of sales		(310,587)	(4,480)
GROSS LOSS		(310,587)	(4,480)
Administrative expenses		(802,751)	(113,701)
OPERATING LOSS	2	(1,113,338)	(118,181)
Loss on disposal of fixed assets		(1,000)	-
Profit on disposal of current asset investment		33,529,665	-
Fair value loss on financial liability		(1,613,062)	-
Other interest receivable and similar income		13,915	4,855
Interest payable and similar charges	4	(6,128,891)	(5,767,925)
PROFIT/(LOSS) BEFORE TAXATION FOR THE FINANCIAL YEAR		24,687,289	(5,881,251)
Taxation	5	-	-
PROFIT/(LOSS) AFTER TAXATION FOR THE FINANCIAL YEAR		24,687,289	(5,881,251)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		24,687,289	(5,881,251)

All amounts relate to continuing activities.

The notes on pages 8 to 12 form part of these financial statements

1 Spinningfields Investments Ltd
Statement of Financial Position
As at 31 December 2017

Company No. 07278023

		2017		2016	
	Notes	£	£	£	£
FIXED ASSETS					
Investments	6		-		64,806,614
Tangible assets	7		-		-
			<u>-</u>		<u>64,806,614</u>
CURRENT ASSETS					
Debtors	8	4,773,359		3,097,239	
Cash at bank and in hand		12,132,919		652,597	
		<u>16,906,278</u>		<u>3,749,836</u>	
Creditors: Amounts Falling Due Within One Year	9	<u>(15,960,233)</u>		<u>(81,766,508)</u>	
NET CURRENT LIABILITIES			<u>946,045</u>		<u>(78,016,672)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>946,045</u>		<u>(13,210,058)</u>
Creditors: Amounts Falling Due After More Than One Year			-		-
NET LIABILITIES			<u>946,045</u>		<u>(13,210,058)</u>
CAPITAL AND RESERVES					
Called up share capital	10		100		100
Profit and loss account			945,945		(13,210,158)
SHAREHOLDERS' FUNDS			<u>946,045</u>		<u>(13,210,058)</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 27/9/2018

..... F P Graham-Watson

Mr F P Graham-Watson
Director

Date

The notes on pages 8 to 12 form part of these financial statements

1 Spinningfields Investments Ltd
Statement of Changes in Equity
For The Year Ended 31 December 2017

	Share Capital	Profit & Loss Account	Total
	£	£	£
As at 1 January 2016	100	(7,328,907)	(7,328,807)
Comprehensive income for the year			
Loss for the year	-	(5,881,251)	(5,881,251)
As at 31 December 2016	100	(13,210,158)	(13,210,058)
As at 1 January 2017	100	(13,210,158)	(13,210,058)
Comprehensive Income for the year			
Profit for the year	-	24,687,289	24,687,289
Contributions from and distributions to owners			
Dividends paid	-	(10,531,186)	(10,531,186)
As at 31 December 2017	100	945,945	946,045

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 judgement 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 2017 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. Financial Instruments

Financial assets

Financial assets, other than investments and derivatives as measured at fair value, 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. The company enters into variable to fixed rate interest rate swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. These derivatives are measured at fair value at each reporting date and recognised in profit or loss for the period. The company does not hedge account for such derivatives.

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. Investments

Investments in property unit trusts are measured at cost less impairment.

1.6. Preparation of Consolidated Financial Statements

The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent Allied London Properties Limited. These financial statements therefore present information about the company as an individual undertaking and not about its group.

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

In preparing these financial statements, the directors have had to make the following judgements:

- Determine the financial status of interest rate derivatives held by the company and their fair value at the year-end date. Fair value was calculated using the fixed and variable leg rates, taking into consideration the spot exchange rate on 31 December 2016.
- Investments are stated at cost less any provision for impairment. The directors have assessed the recoverability of investments made and economic benefit of the investments based on market conditions, economic forecasts and cashflow estimates.

The fair value of the financial liability has been determined based on a director's valuation using a discounted cashflow. The assumptions applied in determining fair value of this financial liability include:

- Discount rate of the anticipated cashflows: 14.42%

All other figures used in the calculation are based on actual figures following the sale of the property on 26 October 2017.

1.8 Dividends

Equity dividends are recognised when they become legally payable. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1 Spinningfields Investments Ltd
Notes to the Accounts (continued)
For The Year Ended 31 December 2017

2. Operating Loss

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

Operating profit is shown after showing the following:

	2017 £	2016 £
Bad debts	-	31,303
Audit fees	-	18,450
	<u>-</u>	<u>49,753</u>

3. Average number of employees

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

	2017	2016
Directors	6	5
	<u>6</u>	<u>5</u>

4. Interest Payable and similar charges

	2017 £	2016 £
Fair value loss on interest rate derivative	21,773	342,459
Other interest payable	5,877,755	5,195,492
Loan charges	229,363	229,974
	<u>6,128,891</u>	<u>5,767,925</u>

5. Tax on Profit on Ordinary Activities

	2017 £	2016 £
UK Corporation Tax	-	-
	<u>-</u>	<u>-</u>
Profit on ordinary activities before tax	24,687,289	(5,881,251)
Breakdown of Tax Charge is:		
Tax on profit at 19.25% (UK standard rate) (2016: 20%)	4,752,303	(1,176,250)
Effects of:		
Non-taxable expense	(310,514)	-
Group relief surrendered for no charge	(4,441,789)	1,176,250
Total tax charge for the year	-	-

1 Spinningfields Investments Ltd
Notes to the Accounts (continued)
For The Year Ended 31 December 2017

6. Investments

	Unlisted £
Cost	
As at 1 January 2017	64,806,614
Additions	51,439,402
Disposals	(116,246,016)
As at 31 December 2017	<u>-</u>
Provision	
As at 1 January 2017	-
As at 31 December 2017	<u>-</u>
Net Book Value	
As at 31 December 2017	-
As at 1 January 2017	<u>64,806,614</u>

During the year, the company purchased 51,439,402 units of £1 each in Allied London 1 Spinningfields Unit Trust, a Jersey based unit trust. On 26 October 2017, the company sold its entire investment in the trust for £161,934,133.

7. Fixed Assets

	Land £
Cost	
As at 1 January 2017	-
Additions	1,000,000
Disposals	(1,000,000)
As at 31 December 2017	<u>-</u>
Net Book Value	
As at 31 December 2017	-
As at 1 January 2017	<u>-</u>

8. Debtors

	2017 £	2016 £
Due within one year		
Prepayments and accrued income	392,163	-
Other debtors	1,312,042	1,008,513
Amounts recoverable from 1 Spinningfields Unit Trust	-	2,080,000
Amounts owed by group undertakings	3,069,154	8,726
	<u>4,773,359</u>	<u>3,097,239</u>

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

1 Spinningfields Investments Ltd
Notes to the Accounts (continued)
For The Year Ended 31 December 2017

9. Creditors: Amounts Falling Due Within One Year

	2017	2016
	£	£
Trade creditors	330	-
Other creditors	2,926,580	34
Accruals and deferred income	1,703,986	-
Amounts owed to Allied London 1 Spinningfields Unit Trust	-	99
Amounts owed to group undertakings	11,329,337	53,817,668
Bank loans	-	27,288,515
Interest rate swap	-	660,192
	15,960,233	81,766,508

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

The above bank loan has an interest rate of 3.5% above LIBOR. The loan was repaid in full by 26 October 2017.

Within the bank loan balance is unamortised loan arrangement fees of £nil (2016: £229,363) as at the year-end.

The interest rate swap was settled on the same day as the bank loan was redeemed.

10. Share Capital

	Value	Number	2017	2016
	£		£	£
Allotted, called up and fully paid				
Ordinary shares	1.000	100	100	100

9. Dividends Paid

	2017	2016
	£	£
Ordinary shares		
Interim paid of £105,312 (2016: £nil) per share	10,531,186	-

11. 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 any transactions with entities included in the consolidated financial statements of Allied London Properties Limited and are 100% owned.

Allied London 1 Spinningfields Unit Trust

The company was one of the two immediate beneficial owners of the trust, until its disposal on 26 October 2017 (2016: 64,806,614).

On 06 January 2017 4,848,596 units were issued to 1 Spinningfields Investments Ltd as £1 per unit.
On 25 January 2017 a further 3,560,422 units were issued to 1 Spinningfields Investments Ltd as £1 per unit.
On 22 February 2017 a further 4,419,822 units were issued to 1 Spinningfields Investments Ltd as £1 per unit.
On 22 March 2017 a further 3,293,289 units were issued to 1 Spinningfields Investments Ltd as £1 per unit.
On 23 May 2017 a further 2,646,508 units were issued to 1 Spinningfields Investments Ltd as £1 per unit.
On 23 May 2017 a further 2,669,286 units were issued to 1 Spinningfields Investments Ltd as £1 per unit.
On 23 June 2017 a further 2,554,224 units were issued to 1 Spinningfields Investments Ltd as £1 per unit.
On 27 July 2017 a further 3,565,764 units were issued to 1 Spinningfields Investments Ltd as £1 per unit.
On 10 August 2017 a further 15,019,908 units were issued to 1 Spinningfields Investments Ltd as £1 per unit.
On 30 August 2017 a further 3,128,709 units were issued to 1 Spinningfields Investments Ltd as £1 per unit.
On 28 September 2017 a further 3,950,847 units were issued to 1 Spinningfields Investments Ltd as £1 per unit.
On 9 October 2017 a further 1,108,298 units were issued to 1 Spinningfields Investments Ltd as £1 per unit.
On 19 October 2017 a further 3,950,847 units were issued to 1 Spinningfields Investments Ltd as £1 per unit.
On 26 October 2017, the company disposed of all 116,246,016 of its units for £161,934,133.

At the year-end date, the company owed Allied London 1 Spinningfields Unit Trust £nil (2016: £99) with respect to unpaid units.

During the year, the company purchased land from the trust for £1,000,000. This transaction was carried out at arms length based on the open market value.

At the year-end date, Allied London 1 Spinningfields Unit Trust owed the company £3,063,483 (2016: £2,080,000) with respect to a short-term loan and £nil (2016: £1,232,858) with regards to costs incurred relating to the Unit Trust's investment property. This amount is repayable upon demand.

Allied London (Pavilion) Limited

The company has common directors and ultimate controlling parties with Allied London (Pavilion) Limited.

During the year the company granted a long lease to Allied London (Pavilion) Limited for £999,000. This transaction was carried out at arms length based on the open market value. The lease attracts a peppercorn rent and hence no value is attributed to the remaining interest that 1 Spinningfields Investments holds.

1 Spinningfields Investments Ltd
Trading Income Statement
For The Year Ended 31 December 2017

12. Ultimate Controlling Party

1 Spinningfields Holdco Ltd, a holding company registered in England and Wales is the immediate parent company. The directors consider the ultimate parent company to be Capital Holdco Limited, a company registered in the British Virgin Islands. Allied London Properties Limited, a company registered in England and Wales, is the largest group company with publicly available accounts.

13. Financial Instruments

The Company considers that the fair value of cash, debtors and creditors are not materially different to their carrying value.

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

	2017	2016
	£	£
Financial assets		
Financial assets measured at amortised cost	16,514,115	3,744,762
Financial liabilities		
Financial liabilities measured at amortised cost	14,463,762	81,106,317
Financial liabilities measured at fair value through profit or loss	3,134,095	660,192

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

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

Financial liabilities measured at fair value through profit and loss comprise a Joint Venture profit share creditor and an interest rate swap, the interest rate swap was redeemed in the year on 26 October 2017 so the value of this is £nil at the statement of financial position date.

The fair value of the financial liability has been determined based on a director's valuation using a discounted cashflow. The assumptions applied in determining fair value of this financial liability include:

- Discount rate of the anticipated cashflows: 14.42%

All other figures used in the calculation are based on actual figures following the sale of the property on 26 October 2017.

14. General Information

1 Spinningfields Investments Ltd, registered number 07278023, is a limited by shares company incorporated in England & Wales. The Registered Office is c/o Allied London, No.1 Spinningfields, Level 12, 1 Hardman Square, Manchester, M3 3EB.