

SPENCER PROPERTIES (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

Company Registration No. 04707516 (England and Wales)

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SPENCER PROPERTIES (UK) LIMITED

COMPANY INFORMATION

Directors	Mr G H Spencer Mr J D Spencer Mrs J E Spencer
Secretary	Mr R O Jones
Company number	04707516
Registered office	18 Headingley Lane Leeds LS6 2AS
Auditor	Naylor Wintersgill Limited Carlton House Grammar School Street Bradford BD1 4NS
Bankers	Handelsbanken 2nd Floor North Lane House North Lane Headingley Leeds LS6 3HG
Solicitors	Bury & Walker 4 Butts Court Leeds LS1 5JS

SPENCER PROPERTIES (UK) LIMITED

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SPENCER PROPERTIES (UK) LIMITED

BALANCE SHEET

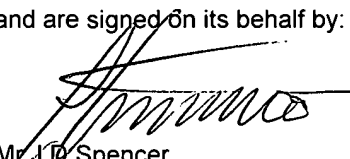
AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	3		11,879		14,597
Investment properties	4		15,400,000		14,655,528
Investments	5		2		2
			<u>15,411,881</u>		<u>14,670,127</u>
Current assets					
Debtors	7	107,895		213,801	
Cash at bank and in hand		205,722		127,690	
			<u>313,617</u>		<u>341,491</u>
Creditors: amounts falling due within one year	8		<u>(336,829)</u>		<u>(301,755)</u>
Net current (liabilities)/assets			<u>(23,212)</u>		<u>39,736</u>
Total assets less current liabilities			15,388,669		14,709,863
Creditors: amounts falling due after more than one year	9		<u>(7,750,000)</u>		<u>(7,750,000)</u>
Net assets			<u>7,638,669</u>		<u>6,959,863</u>
Capital and reserves					
Called up share capital	11	6,830,166		6,830,166	
Profit and loss reserves		808,503		129,697	
Total equity			<u>7,638,669</u>		<u>6,959,863</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered 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 26 September 2016 and are signed on its behalf by:


Mr J D Spencer
Director

Company Registration No. 04707516

SPENCER PROPERTIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Company information

Spencer Properties (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 18 Headingley Lane, Leeds, LS6 2AS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2016 are the first financial statements of Spencer Properties (UK) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The company has taken advantage of the exemption under section 383 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% reducing balance basis and 33% straight line basis
Motor vehicles	25% reducing balance basis.

SPENCER PROPERTIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

SPENCER PROPERTIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

SPENCER PROPERTIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

SPENCER PROPERTIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Total	<u>7</u>	<u>7</u>

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2015	94,131
Additions	<u>3,395</u>
At 31 March 2016	<u>97,526</u>
Depreciation and impairment	
At 1 April 2015	79,534
Depreciation charged in the year	<u>6,113</u>
At 31 March 2016	<u>85,647</u>
Carrying amount	
At 31 March 2016	<u>11,879</u>
At 31 March 2015	<u>14,597</u>

SPENCER PROPERTIES (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

4 Investment property

	2016
	£
Fair value	
At 1 April 2015	14,655,528
Additions	158,549
Revaluations	585,923
	<u> </u>
At 31 March 2016	<u>15,400,000</u>

The investment properties have been valued by the company's directors on an open market value basis as at 31 March 2016.

The value as at 31 March 2016 represents the fair value of the investment properties.

On a historical cost basis these would have been included in at original cost of £15,648,512 (2015 : £15,489,963).

A deferred tax asset of £49,702 (2015 - £166,887) arises on revaluation, this has not been recognised on the basis that the directors are uncertain of its recoverability.

5 Fixed asset investments

	2016	2015
	£	£
Investments	<u>2</u>	<u>2</u>

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 April 2015 & 31 March 2016	<u>2</u>
Carrying amount	
At 31 March 2016	<u>2</u>
At 31 March 2015	<u>2</u>

SPENCER PROPERTIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

6 Subsidiaries

Details of the company's subsidiaries at 31 March 2016 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Letters of Leeds Limited	England and Wales	Letting agents	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Letters of Leeds Limited	1,338	(77,874)

The group represents a small group and has therefore used the exemption to not prepare consolidated financial statements.

7 Debtors

	2016	2015
Amounts falling due within one year:	£	£
Trade debtors	25,760	137,214
Corporation tax recoverable	1,195	1,195
Amounts due from group undertakings	32,424	35,450
Other debtors	48,516	39,942
	<u>107,895</u>	<u>213,801</u>

8 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	61,680	50,340
Corporation tax	28,181	9,780
Other taxation and social security	51,495	47,812
Other creditors	195,473	193,823
	<u>336,829</u>	<u>301,755</u>

SPENCER PROPERTIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

9 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loans and overdrafts	7,750,000	7,750,000

The loan is secured by a fixed and floating charge over the assets of the company and legal mortgages over a number of the company's investment properties.

10 Loans and overdrafts

	2016 £	2015 £
Bank loans	7,750,000	7,750,000
Payable after one year	7,750,000	7,750,000

The loan is secured by a fixed and floating charge over the assets of the company and legal mortgages over a number of the company's investment properties.

The secured loan facility of £7,750,000, applicable interest rate of 2.25% and is due to mature in February 2020.

11 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
6,430,166 Ordinary - A shares of £1 each	6,430,166	6,430,166
400,000 Ordinary - B shares of £1 each	400,000	400,000
	6,830,166	6,830,166

The holders of the Ordinary - B shares are entitled to receive such dividends as may from time to time be declared by the company, to repayment in priority to holders of Ordinary - A shares on a winding-up of the company or other repayment of capital and to vote in general meetings on any resolution to wind-up the company, to consider the purchase by the company of its own shares and on any proposition to vary the rights conferred on the holders of the Ordinary - B shares.

12 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The auditor's report was unqualified.
The senior statutory auditor was Alison Whalley.
The auditor was Naylor Wintersgill Limited.

SPENCER PROPERTIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

13 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016 £	2015 £
Aggregate compensation	<u>61,962</u>	<u>64,817</u>

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2016 £	2015 £	2016 £	2015 £
NIC Services Group Limited	125,000	125,000	-	-
Letters of Leeds Limited	-	-	5,760	5,760
Headingley Halls Limited	8,500	9,500	-	-
	<u>133,500</u>	<u>134,500</u>	<u>5,760</u>	<u>5,760</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties 2016		Amounts owed by related parties 2015	
	Balance £	Net £	Balance £	Net £
NIC Services Group Limited	7,332	7,332	6,275	6,275
Letters of Leeds Limited	32,424	32,424	35,450	35,450
Headingley Halls Limited	13,219	13,219	3,631	3,631
Other related parties	3,019	3,019	3,019	3,019
	<u>55,994</u>	<u>55,994</u>	<u>48,375</u>	<u>48,375</u>

No guarantees have been given or received.

SPENCER PROPERTIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

14 Directors' transactions

Interest free loans have been granted by the directors to the company as follows:

Dividends totalling £100,000 (2015 - £100,000) were paid in the year in respect of shares held by the company's directors.

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Mr G H Spencer - Director's loan account	-	1,950	-	-	-	1,950
		<u>1,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,950</u>

15 Parent company

The company is under the control of the trustees of The Spencer Family Trust. The service address is 18 Headingley Lane, Leeds, LS6 2AS.