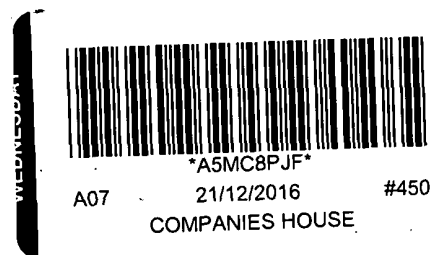


REGISTERED NUMBER OC341607

JOHAL PROPERTIES LEICESTER LLP

FINANCIAL STATEMENTS

31 MARCH 2016



**MURAS BAKER JONES LIMITED**

Chartered Accountants & Statutory Auditor

Regent House

Bath Avenue

Wolverhampton

West Midlands

WV1 4EG

# **JOHAL PROPERTIES LEICESTER LLP**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2016**

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# **JOHAL PROPERTIES LEICESTER LLP**

## **DESIGNATED MEMBERS AND ADVISORS**

<b>Designated members</b>	Mr I S Johal STM Fidecs Trust Company Limited Stepford Services Limited
<b>Registered office</b>	Coalbourn Cottage Whitwick Road Markfield Leicestershire LE67 9QB
<b>Auditor</b>	Muras Baker Jones Limited Chartered Accountants & Statutory Auditor Regent House Bath Avenue Wolverhampton West Midlands WV1 4EG
<b>Bankers</b>	National Westminster Bank Plc 1 Granby Street Leicester LE1 6EJ

# **JOHAL PROPERTIES LEICESTER LLP**

## **MEMBERS' REPORT**

**YEAR ENDED 31 MARCH 2016**

The members present their report and the financial statements of the LLP for the year ended 31 March 2016.

### **PRINCIPAL ACTIVITIES**

The principal activity of the limited liability partnership is that of property investments.

### **RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS**

The loss for the year available for distribution to members was £(11,628) (2015: £93,106).

### **DESIGNATED MEMBERS**

The following were designated members during the year:

Mr I S Johal  
STM Fidecs Trust Company  
Limited  
Stepford Services Limited

### **POLICY WITH RESPECT TO MEMBERS' DRAWINGS AND SUBSCRIPTION AND REPAYMENTS OF AMOUNTS SUBSCRIBED OR OTHERWISE CONTRIBUTED BY MEMBERS**

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP.

New members are required to subscribe a minimum level of capital and in subsequent years members are invited to subscribe for further capital, the amounts of which is determined by the performance and seniority of those members. On retirement, capital is repaid to members.

### **STATEMENT OF MEMBERS' RESPONSIBILITIES**

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 requires the members to prepare financial statements for each financial year. Under that law the members 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 as applied to limited liability partnerships the members 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 LLP and of the profit or loss of the LLP for that year.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

# JOHAL PROPERTIES LEICESTER LLP

## MEMBERS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### AUDITOR

Muras Baker Jones Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a member at the date of approval of this report confirm that:

- so far as each member is aware, there is no relevant audit information of which the LLP's auditor is unaware; and
- each member has taken all steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

### SMALL LLP PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime (as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008).

Signed on behalf of the members

  
Janet S. Orrell

and on behalf of  
**STM Fidecs Trust Company Limited**  
Designated member

  
Joan Ferrie

FOR AND ON BEHALF OF  
**STEPFORD SERVICES LIMITED**  
Designated member

Approved by the members on 19 December 2016

# **JOHAL PROPERTIES LEICESTER LLP**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHAL PROPERTIES LEICESTER LLP**

**YEAR ENDED 31 MARCH 2016**

We have audited the financial statements of Johal Properties Leicester LLP for the year ended 31 March 2016 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the partnership'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 partnership and the partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF MEMBERS AND AUDITOR**

As explained more fully in the Statement of Members' Responsibilities set out on pages 2 to 3, the members 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 Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

# **JOHAL PROPERTIES LEICESTER LLP**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHAL PROPERTIES LEICESTER LLP *(continued)***

**YEAR ENDED 31 MARCH 2016**

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships' regime.

OLIVER ROSS BSC (HONS) FCA (Senior Statutory Auditor)

For and on behalf of

MURAS BAKER JONES LIMITED

Chartered Accountants & Statutory Auditor

Regent House  
Bath Avenue  
Wolverhampton  
West Midlands  
WV1 4EG

19 December 2016

# JOHAL PROPERTIES LEICESTER LLP

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
<b>TURNOVER</b>		<b>784,750</b>	841,127
Administrative expenses		115,587	95,435
<b>OPERATING PROFIT</b>	<b>2</b>	<b>669,163</b>	745,692
Interest receivable		95	44
Interest payable and similar charges		(680,886)	(652,630)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>		<b>(11,628)</b>	93,106

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



# JOHAL PROPERTIES LEICESTER LLP

## BALANCE SHEET

31 MARCH 2016

	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	4	<u>13,125,779</u>	<u>13,112,807</u>
<b>CURRENT ASSETS</b>			
Debtors	5	642,278	2,162,664
Cash at bank		<u>84,563</u>	<u>67,515</u>
		726,841	2,230,179
<b>CREDITORS: Amounts falling due within one year</b>	6	<u>10,628,663</u>	<u>11,748,050</u>
<b>NET CURRENT LIABILITIES</b>		(9,901,822)	(9,517,871)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,223,957</u>	<u>3,594,936</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	7	3,100,000	3,459,351
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>123,957</u>	<u>135,585</u>
<b>REPRESENTED BY:</b>			
<b>Loans and other debts due to members</b>			
Other amounts	9	<u>123,957</u>	<u>135,585</u>
<b>TOTAL MEMBERS' INTERESTS</b>			
Loans and other debts due to members	9	<u>123,957</u>	<u>135,585</u>

These accounts have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

These accounts were approved by the members and authorised for issue on 19 December 2016, and are signed on their behalf by:

 <b>Janet S. Orrell</b> <b>For and on behalf of</b> <b>STM Fidecs Trust Company Limited</b> Designated member	 <b>Joan Ferrie</b> <b>FOR AND ON BEHALF OF</b> <b>STEPFORD SERVICES LIMITED</b> Designated member
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Registered Number: OC341607

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

# **JOHAL PROPERTIES LEICESTER LLP**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2016**

### **1. ACCOUNTING POLICIES**

#### **(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in July 2014 (SORP 2014).

#### **(b) Rental income**

Rental income is wholly attributable to the principal activity of the Limited Liability Partnership and arises solely within the UK.

#### **(c) Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

No depreciation is provided on investment properties. This treatment is a departure from the Companies Act 2006 concerning depreciation of fixed assets. However, these properties are not held for consumption but investment and therefore the members consider that systematic annual depreciation would be inappropriate. Therefore the accounting policy adopted is necessary for the accounts to give a true and fair view. The effect of this departure from the Companies Act 2006 has not been qualified because it is impracticable and, in the opinion of the members, would be misleading.

#### **(d) Investment properties**

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the LLP and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

#### **(e) Members' participation rights**

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with FRS 25 (IAS 32) Financial Instruments: Disclosure and Presentation and UITF abstract 39 Members' shares in co-operative entities and similar instruments. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

# JOHAL PROPERTIES LEICESTER LLP

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

### 1. ACCOUNTING POLICIES *(continued)*

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the Profit and Loss Account in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the Balance Sheet.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the Profit and Loss Account and are equity appropriations in the Balance Sheet.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the Balance Sheet within 'Loans and other debts due to members' and are charged to the Profit and Loss Account within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the Balance Sheet within 'Members' other interests'.

### 2. OPERATING PROFIT

Operating profit is stated after charging:

	2016	2015
	£	£
Auditor's fees	<u>3,550</u>	<u>6,800</u>

### 3. INFORMATION IN RELATION TO MEMBERS

	2016	2015
	No.	No.
The average number of members during the year was	<u>3</u>	<u>3</u>
	2016	2015
	£	£
The average members remuneration during the year was	<u>-</u>	<u>-</u>

# JOHAL PROPERTIES LEICESTER LLP

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

### 4. TANGIBLE ASSETS

	Freehold Investment Property £
<b>COST</b>	
At 1 April 2015	13,692,914
Additions	12,972
<b>At 31 March 2016</b>	<b>13,705,886</b>
<b>DEPRECIATION</b>	
At 1 April 2015 and 31 March 2016	580,107
<b>NET BOOK VALUE</b>	
At 31 March 2016	13,125,779
At 31 March 2015	13,112,807

The investment property has been valued by the members at open market value as at the year end.

### 5. DEBTORS

	2016 £	2015 £
Trade debtors	641,697	2,159,705
Other debtors	581	2,959
	<b>642,278</b>	<b>2,162,664</b>

### 6. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Bank loans	6,371,349	6,123,477
Trade creditors	74,185	1,995,670
VAT	6,364	31,896
Other creditors	4,145,688	3,573,576
Accruals and deferred income	31,077	23,431
	<b>10,628,663</b>	<b>11,748,050</b>

Previously a loan of £3,800,000 was taken out, which is secured against the investment property owned by the company, giving the lender first legal charge over the assets.

The other loans do not have repayment terms, and interest is charged at a net rate of 7.5%.

# JOHAL PROPERTIES LEICESTER LLP

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

### 7. CREDITORS: Amounts falling due after more than one year

	2016	2015
	£	£
Bank loans	<u>3,100,000</u>	<u>3,459,351</u>

### 8. RELATED PARTY TRANSACTIONS

As at 31 March 2016 a loan of £Nil (2015 - £13,631) was outstanding to Inderjit Johal (settlor of The Inderjit Johal 2005 Family Trust)

At 31 March 2016 the balance of loans received in a previous period of £4,731,397 (2015 - £4,533,602) were due to Twilight Overseas Services Limited, a company which is owned by STM Fidecs Trust Company Limited. During the year loan repayments of £Nil (2015 - £Nil) were made. Interest of £197,795 (2015 - £183,189) has been charged on the loans.

Interest of £388,043 (2015 - £359,232) has been charged on a loan of £3,950,000 received in a previous period from STM Fidecs Trust Company Limited. At 31 March 2016 £5,404,414 (2015 - £5,016,371) was due to STM Fidecs Trust Company Limited. The loan is repayable 30 days after demand and interest is payable at a net rate of 7.5%.

In addition, the LLP made purchases from STM Fidecs Trust Company Limited of £7,983 (2015 - £5,653). At 31 March 2016 a balance of £26,614 was due to STM Fidecs Trust Company Limited (2015 - £18,631).

During the year the LLP received rental and insurance income of £375,000 (2015 - £481,250) from Crownline Property Development Limited, a company owned by Inderjit Johal. At 31 March 2016 the company was owed £608,978 (2015 - £2,141,994) by Crownline Property Development Limited.

During the year the LLP also made purchases of £12,973 (2015 - £Nil) from Bright Developments Limited, a company owned by Inderjit Johal. At 31 March 2016 the company owed £Nil to Bright Developments Limited (2015 - £1,943,689).

At 31 March 2016 the ultimate controlling party was The Inderjit Johal 2005 Family Trust.

### 9. LOANS AND OTHER DEBTS DUE TO MEMBERS

	2016	2015
	£	£
Amounts owed to members in respect of profits	<u>123,957</u>	<u>135,585</u>

# JOHAL PROPERTIES LEICESTER LLP

## NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2016

### 10. MEMBERS' INTERESTS

	Members' other interests			
	Other reserves	Total members' other interests	Loans and other debts due to members	Total
	£	£	£	£
Balance at 1 April 2015	-	-	135,585	135,585
Loss for the financial year available for discretionary division among members	(11,628)	(11,628)		(11,628)
Members' interests after loss for the year	(11,628)	(11,628)	135,585	123,957
Other divisions of profits	11,628	11,628	(11,628)	-
Balance at 31 March 2016	-	-	123,957	123,957