

REGISTERED NUMBER: OC341607

Johal Properties Leicester LLP
Unaudited Financial Statements
31 March 2017



MURAS BAKER JONES LIMITED

Chartered accountant
Regent House
Bath Avenue
Wolverhampton
West Midlands
WV1 4EG

Johal Properties Leicester LLP

Designated Members and Professional Advisers

Designated members	Mr I S Johal STM Fidecs Trust Company Limited Stepford Services Limited
Registered office	Unit D, Forest Business Park Walker Road Bardon Coalville, Leicester Leicestershire United Kingdom LE67 1TU
Accountants	Muras Baker Jones Limited Chartered accountant Regent House Bath Avenue Wolverhampton West Midlands WV1 4EG
Bankers	National Westminster Bank Plc 1 Granby Street Leicester LE1 6EJ

Johal Properties Leicester LLP

Members' Report

Year ended 31 March 2017

The members present their report and the unaudited financial statements of the LLP for the year ended 31 March 2017.

Principal activities

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

Designated members

The designated members who served the LLP during the year were as follows:

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

Policy regarding members' drawings and the subscription and repayment 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.

This report was approved by the members on 21 December 2017 and signed on behalf of the members by:



Janet S. Orrell

DIRECTOR

**For and on behalf of
STM Fidecs Trust Company Limited**

Designated Member



Catherine Batchelor

**For and on behalf of
Stepford Services Limited.**

Designated Member

Johal Properties Leicester LLP

Chartered Accountant's Report to the Members on the Preparation of the Unaudited Statutory Financial Statements of Johal Properties Leicester LLP

Year ended 31 March 2017

In order to assist you to fulfil your duties under 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, we have prepared for your approval the financial statements of Johal Properties Leicester LLP for the year ended 31 March 2017, which comprise the statement of comprehensive income, statement of financial position, reconciliation of members' interests and the related notes from the LLP's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/membership/regulations-standards-and-guidance.

This report is made solely to the members of Johal Properties Leicester LLP, as a body, in accordance with the terms of our engagement letter dated 24 November 2015. Our work has been undertaken solely to prepare for your approval the financial statements of Johal Properties Leicester LLP and state those matters that we have agreed to state to you, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Johal Properties Leicester LLP and its members, as a body, for our work or for this report.

It is your duty to ensure that Johal Properties Leicester LLP has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Johal Properties Leicester LLP. You consider that Johal Properties Leicester LLP is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Johal Properties Leicester LLP. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

MURAS BAKER JONES LIMITED
Chartered accountant

Regent House
Bath Avenue
Wolverhampton
West Midlands
WV1 4EG

21 December 2017

Johal Properties Leicester LLP

Statement of Comprehensive Income

Year ended 31 March 2017

	Note	2017 £	2016 £
Turnover		676,084	784,750
Gross profit		676,084	784,750
Administrative expenses		141,433	115,587
Operating profit		534,651	669,163
Other interest receivable and similar income		16	95
Interest payable and similar expenses		726,506	680,886
Loss for the financial year before members' remuneration and profit shares available for discretionary division among members		(191,839)	(11,628)

All the activities of the LLP are from continuing operations.

The notes on pages 9 to 14 form part of these financial statements.

Johal Properties Leicester LLP

Statement of Financial Position

31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	13,125,779	13,125,779
Current assets			
Debtors	6	580,277	642,278
Cash at bank and in hand		203,358	84,563
		<u>783,635</u>	<u>726,841</u>
Creditors: amounts falling due within one year	7	<u>11,103,340</u>	<u>10,628,663</u>
Net current liabilities		<u>10,319,705</u>	<u>9,901,822</u>
Total assets less current liabilities		<u>2,806,074</u>	<u>3,223,957</u>
Creditors: amounts falling due after more than one year	8	<u>2,873,956</u>	<u>3,100,000</u>
Net (liabilities)/assets attributable to members		<u>(67,882)</u>	<u>123,957</u>
Represented by:			
Loans and other debts due to members			
Other amounts	9	<u>(67,882)</u>	<u>123,957</u>
Members' other interests			
Other reserves		<u>-</u>	<u>-</u>
		<u>(67,882)</u>	<u>123,957</u>
Total members' interests			
Amounts due from members		(67,882)	-
Loans and other debts due to members	9	-	123,957
Members' other interests		-	-
		<u>(67,882)</u>	<u>123,957</u>

These financial statements have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 31 March 2017 the LLP was entitled to exemption from audit under section 477 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) relating to small LLPs.

The members acknowledge their responsibilities for complying with the requirements of the Act (as applied to LLPs) with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

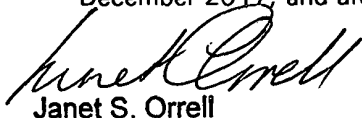
The notes on pages 9 to 14 form part of these financial statements.

Johal Properties Leicester LLP

Statement of Financial Position *(continued)*

31 March 2017

These financial statements were approved by the members and authorised for issue on 21 December 2017, and are signed on their behalf by:



Janet S. Orrell

DIRECTOR

For and on behalf of
STM Fidecs Trust Company Limited

Designated Member



Catherine Batchelor

For and on behalf of
Stepford Services Limited

Designated Member

Registered number: OC341607

The notes on pages 9 to 14 form part of these financial statements.

Johal Properties Leicester LLP

Reconciliation of Members' Interests

Year ended 31 March 2017

	Members' other interests		Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Other reserves £	Total £	Other amounts £	Total £	Total 2017 £
Balance at 1 April 2016	-	-	123,957	123,957	123,957
Loss for the financial year available for discretionary division among members	(191,839)	(191,839)			(191,839)
Members' interests after loss for the year	(191,839)	(191,839)	123,957	123,957	(67,882)
Other division of profits	191,839	191,839	(191,839)	(191,839)	-
Balance at 31 March 2017	-	-	(67,882)	(67,882)	(67,882)

The reconciliation of members' interests continues on the following page.

The notes on pages 9 to 14 form part of these financial statements.

Johal Properties Leicester LLP

Reconciliation of Members' Interests *(continued)*

Year ended 31 March 2017

	Members' other interests		Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Other reserves £	Total £	Other amounts £	Total £	Total 2016 £
Balance at 1 April 2015	–	–	135,585	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	135,585	123,957
Other division of profits	11,628	11,628	(11,628)	(11,628)	–
Balance at 31 March 2016	–	–	123,957	123,957	123,957

The notes on pages 9 to 14 form part of these financial statements.

Johal Properties Leicester LLP

Notes to the Financial Statements

Year ended 31 March 2017

1. General information

The LLP is registered in England and Wales.

The address of the registered office is Unit D, Forest Business Park Walker Road, Bardon, Coalville,, Leicester, Leicestershire, LE67 1TU, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in January 2017 (SORP 2017).

3. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

(b) Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 11.

(c) Revenue recognition

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

(d) 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 Section 22 of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships'. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

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.

Johal Properties Leicester LLP

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Members' participation rights *(continued)*

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 statement of comprehensive income in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the statement of financial position.

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 statement of comprehensive income and are equity appropriations in the statement of financial position.

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 statement of financial position within 'Loans and other debts due to members' and are charged to the statement of comprehensive income within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the statement of financial position within 'Members' other interests'.

(e) Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

(f) Depreciation

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

Johal Properties Leicester LLP

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Depreciation *(continued)*

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.

(g) Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the LLP are assigned to those units.

(h) Financial instruments

A financial asset or a financial liability is recognised only when the LLP becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Johal Properties Leicester LLP

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>-</u>	<u>3,550</u>

5. Tangible assets

	Land and buildings £
Cost	
At 1 April 2016 and 31 March 2017	<u>13,705,886</u>
Depreciation	
At 1 April 2016 and 31 March 2017	<u>580,107</u>
Carrying amount	
At 31 March 2017	<u>13,125,779</u>
At 31 March 2016	<u>13,125,779</u>

Tangible assets held at valuation

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

Johal Properties Leicester LLP

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

6. Debtors

	2017	2016
	£	£
Trade debtors	578,024	641,697
Other debtors	2,253	581
	<u>580,277</u>	<u>642,278</u>

7. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	5,849,716	6,371,349
Trade creditors	19,994	74,185
Social security and other taxes	17,179	6,364
Other creditors	5,216,451	4,176,765
	<u>11,103,340</u>	<u>10,628,663</u>

During the year a bank loan of £3,100,000 was taken out and repayable in instalments over 5 years. The loan is secured against the investment property owned by the LLP, giving the lender first legal charge over the assets. Interest is charged at an annual rate of 2.5% over the base rate of the bank.

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

8. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Bank loans and overdrafts	<u>2,873,956</u>	<u>3,100,000</u>

9. Loans and other debts due to members

	2017	2016
	£	£
Amounts owed to members in respect of profits	<u>(67,882)</u>	<u>123,957</u>

Johal Properties Leicester LLP

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

10. Related party transactions

At 31 March 2017 the balance of loans received in a previous period of £4,944,107 (2016 - £4,712,460) 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 (2016 - £Nil) were made. Interest of £212,711 (2016 - £197,795) has been charged on the loans.

Interest of £416,936 (2016 - £388,043) has been charged on a loan of £3,950,000 received in a previous period from STM Fidecs Trust Company Limited. At 31 March 2017 £5,821,350 (2016 - £5,404,414) 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 company made purchases from STM Fidecs Trust Company Limited of £6,946 (2016 - £7,983). At 31 March 2017 a balance of £7,109 was due to the company (2016 - £26,614).

During the year the LLP received rental and insurance income of £245,000 (2016 - £375,000) from Crownline Property Development Limited, a company owned by Inderjit Johal. At 31 March 2017 the company was owed £490,984 (2016 - £608,978) by Crownline Property Development Limited.

During the year the LLP also made purchases of £Nil (2016 - £12,973) from Bright Developments Limited, a company owned by Inderjit Johal.

At 31 March 2017 the ultimate controlling party was STM Fidecs Trust Company Limited as Trustee of The Inderjit Johal 2005 Family Trust.

11. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The LLP transitioned to FRS 102 on 1 April 2015.

No transitional adjustments were required in equity or profit or loss for the year.