

L and A Capital Limited

Unaudited Financial Statements

Year Ended

31 March 2017

Company Number 07429521



L and A Capital Limited

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L and A Capital Limited

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of L and A Capital Limited for the year ended 31 March 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of L and A Capital Limited for the year ended 31 March 2017 which comprise of the balance sheet and the related notes from the company'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 <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the board of directors of L and A Capital Limited, as a body, in accordance with the terms of our engagement letter dated 24 November 2016. Our work has been undertaken solely to prepare for your approval the accounts of L and A Capital Limited and state those matters that we have agreed to state to the board of directors of L and A Capital Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than L and A Capital Limited and its board of directors as a body for our work or for this report.

It is your duty to ensure that L and A Capital Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of L and A Capital Limited. You consider that L and A Capital Limited 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 L and A Capital Limited. 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 accounts.



BDO LLP
Leicester
United Kingdom

21 DECEMBER 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

L and A Capital Limited

Registered number: 07429521

Balance Sheet As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Investment property		12,483,281	9,354,720
		<u>12,483,281</u>	<u>9,354,720</u>
Current assets			
Debtors: amounts falling due within one year	159,460	251,548	
Cash at bank and in hand	161,175	140,474	
	<u>320,635</u>	<u>392,022</u>	
Creditors: amounts falling due within one year	(6,414,013)	(5,911,696)	
Net current liabilities		<u>(6,093,378)</u>	<u>(5,519,674)</u>
Total assets less current liabilities		<u>6,389,903</u>	<u>3,835,046</u>
Creditors: amounts falling due after more than one year		(5,655,077)	(3,480,000)
		<u>734,826</u>	<u>355,046</u>
Provisions for liabilities			
Deferred taxation	(63,216)	(28,076)	
		<u>(63,216)</u>	<u>(28,076)</u>
Net assets		<u><u>671,610</u></u>	<u><u>326,970</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		671,510	326,870
		<u>671,610</u>	<u>326,970</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

L and A Capital Limited

Registered number: 07429521

Balance Sheet (continued)

As at 31 March 2017

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

20th December 2017.



Mr M S Landa

Director

The notes on pages 4 to 10 form part of these financial statements.

L and A Capital Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

1. General information

L and A Capital Limited is a limited liability company, limited by shares, incorporated in England and Wales. The company's registration number is 07429521 and the address of the registered office is Concord House, 1 Malton Road, Nottingham, NG5 1EG.

The company's principal activity during the year was the rental and management of properties.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The date of transition to Section 1A of Financial Reporting Standard 102 was 1 December 2014. Information on the effect of the first time adoption of Section 1A of Financial Reporting Standard 102 can be found in note 14.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Income and Retained Earnings.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

L and A Capital Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.9 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

L and A Capital Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. 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:

Investment Property (see note 5)

- The company carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The fair value of the property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental revenues from that particular property. As a result, the valuations the company places on its property portfolio are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the property market.

4. Employees

The average monthly number of employees, including directors, during the year was 4 (2016 - 4).

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Notes to the Financial Statements For the Year Ended 31 March 2017

5. Investment property

	Freehold investment property £
Valuation	
At 1 April 2016	9,354,720
Additions at cost	3,128,561
At 31 March 2017	12,483,281

The 2017 valuations were made by the directors, on an open market value for existing use basis, based on the value of similar properties at the time of valuation.

At 31 March 2017

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2017 £	2016 £
Historic cost	12,483,281	9,354,720
	12,483,281	9,354,720

6. Debtors

	2017 £	2016 £
Trade debtors	10,646	6,450
Other debtors	148,814	245,098
	159,460	251,548

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	161,175	140,474
	161,175	140,474

L and A Capital Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	473,000	420,000
Other loans	568,282	336,626
Trade creditors	224,658	172,556
Corporation tax	48,091	51,224
Other taxation and social security	35,759	-
Other creditors	5,039,208	4,901,217
Accruals and deferred income	25,015	30,073
	<u>6,414,013</u>	<u>5,911,696</u>

9. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	5,655,077	3,480,000
	<u>5,655,077</u>	<u>3,480,000</u>

Secured loans

Bank loans are secured over investment property.

L and A Capital Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

10. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	473,000	420,000
Other loans	568,282	336,626
	<u>1,041,282</u>	<u>756,626</u>
 Amounts falling due 2-5 years		
Bank loans	1,375,788	1,680,000
	<u>1,375,788</u>	<u>1,680,000</u>
 Amounts falling due after more than 5 years		
Bank loans	4,279,289	1,800,000
	<u>4,279,289</u>	<u>1,800,000</u>
	<u><u>6,696,359</u></u>	<u><u>4,236,626</u></u>

11. Deferred taxation

	2017 £	2016 £
At beginning of year	(28,076)	-
Charged to profit or loss	(35,140)	(28,076)
At end of year	<u><u>(63,216)</u></u>	<u><u>(28,076)</u></u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(63,216)	(28,076)
	<u><u>(63,216)</u></u>	<u><u>(28,076)</u></u>

L and A Capital Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

12. Prior year adjustment

During the year the company has reclassified the director's loans due in more than one year as due in less than one year. This reclassification has had no effect on the results of either the current or previous reporting period.

13. Related party transactions

The directors of the company are also directors of Sherwood Properties (Nottingham) Ltd. During the year, a balance of £225,000 (2016 £331,256) was advanced by the company to Sherwood Properties (Nottingham) Ltd. At the year end, an amount of £135,723 (2016 £243,728) was payable to the company and is included within other debtors. No interest was charged on this loan.

Relatives of certain directors of the company are directors of Charterspace Limited. During the year, the company loaned an amount of £Nil (2016 £315) to Charterspace Limited. At the period end, an amount of £Nil (2016 £315) was payable to the company and is included within other debtors. No interest was charged on this loan.

The directors of the company are also related to the partners of Concept Properties. During the period, the company received a loan of £62,741 (2016 £36,626) from Concept Properties. At the period end, an amount of £81,308 (2016 £36,626) was payable to Concept Properties and is included within other loans in creditors. No interest was charged on this loan.

The directors of the company are also directors of DSL Group (Nottingham) Limited. During the period, the company received a loan of £186,974 (2016 £300,000) from DSL Group (Nottingham) Limited. At the period end, an amount of £486,974 (2016 £300,000) was payable to DSL Group (Nottingham) Limited and is included within other loans in creditors. No interest was charged on this loan.

The directors of the company are also beneficiaries and trustees of the Sant Discretionary Trust. During the period, the company acquired investment properties at a value of £Nil (2016 £8,099,000) from the Sant Discretionary Trust.

At the end of the period, the following amounts are due to the directors:

	2017 £	2016 £
Pritpal S Landa	1,230,744	1,237,201
Manjit S Landa	1,230,872	1,174,701
Serbit S Landa	1,130,872	1,262,201
Parmjit S Landa	1,230,872	1,174,701
	<u>4,823,360</u>	<u>4,848,804</u>

14. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.