

**SANDHU PROPERTY INVESTMENT LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

Sandhu Property Investment Ltd
Unaudited Financial Statements
For The Year Ended 31 December 2017

Contents

	Page
Balance Sheet	1—2
Notes to the Financial Statements	3—6

Sandhu Property Investment Ltd
Balance Sheet
As at 31 December 2017

Registered number: 08331521

		2017		2016	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	4		15,862,439		15,862,628
			15,862,439		15,862,628
CURRENT ASSETS					
Debtors	5	104,578		33,223	
Cash at bank and in hand		537,970		475,331	
		642,548		508,554	
Creditors: Amounts Falling Due Within One Year	6	(351,922)		(348,599)	
NET CURRENT ASSETS (LIABILITIES)			290,626		159,955
TOTAL ASSETS LESS CURRENT LIABILITIES			16,153,065		16,022,583
Creditors: Amounts Falling Due After More Than One Year	7		(9,649,913)		(9,755,237)
PROVISIONS FOR LIABILITIES					
Deferred Taxation	9		(1,029,900)		(1,084,105)
NET ASSETS			5,473,252		5,183,241
CAPITAL AND RESERVES					
Called up share capital	10		2		2
Revaluation reserve			4,390,627		4,336,422
Other reserves - non distributable			77,513		67,669
Profit and Loss Account			1,005,110		779,148
SHAREHOLDERS' FUNDS			5,473,252		5,183,241

Sandhu Property Investment Ltd
Balance Sheet (continued)
As at 31 December 2017

For the year ending 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.
- The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Profit and Loss Account.

On behalf of the board

Mr Sukhdev Sandhu

26/09/2018

The notes on pages 3 to 6 form part of these financial statements.

Sandhu Property Investment Ltd
Notes to the Financial Statements
For The Year Ended 31 December 2017

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1.2. Turnover

Turnover comprises the rents receivable during the period.

1.3. Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor Vehicles	33.33% on cost
Fixtures & Fittings	33.33% on cost

1.4. Investment Properties

All investment properties are carried at fair value determined annually 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 for. Changes in fair value are recognised in the profit and loss account.

1.5. Financial Instruments

A financial asset or a financial liability is recognised only when the entity 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.

The company is in receipt of loans from a related party. The loans are initially recorded at the present value with the difference between this and the transaction price being included as an equity contribution. Present value is calculated using a market rate of interest for a similar debt instrument. Interest paid includes both interest payable and the effect of the use of present values in accordance with the above.

At the end of each period a transfer is made from the equity contribution to profit and loss representing the effect of the changes in present values charged in the profit and loss account as interest paid.

The amount included in creditors for these loans is the present value.

Sandhu Property Investment Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2017

1.6. Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and 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 end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

1.7. Registrar Filing Requirements

The company has taken advantage of Companies Act 2006 section 444(1) and opted not to file the profit and loss account, directors report, and notes to the financial statements relating to the profit and loss account. The notes which are not included have been hidden but original note numbering has remained the same for those that are present.

3. Average Number of Employees

Average number of employees, including directors, during the year was as follows: 2

4. Tangible Assets

	Investment Properties	Motor Vehicles	Fixtures & Fittings	Total
	£	£	£	£
Cost				
As at 1 January 2017	15,860,000	6,838	65,635	15,932,473
Additions	-	-	1,897	1,897
As at 31 December 2017	15,860,000	6,838	67,532	15,934,370
Depreciation				
As at 1 January 2017	-	6,838	63,007	69,845
Provided during the period	-	-	2,086	2,086
As at 31 December 2017	-	6,838	65,093	71,931
Net Book Value				
As at 31 December 2017	15,860,000	-	2,439	15,862,439
As at 1 January 2017	15,860,000	-	2,628	15,862,628

A valuation of the investment properties was performed by Cushman & Wakefield Debehram Tie Leung Limited in January 2017, which the directors believe still stands as a reflection of fair value on the balance sheet date.

Sandhu Property Investment Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2017

5. Debtors

	2017	2016
	£	£
Due within one year		
Trade debtors	21,241	22,930
Other debtors	83,337	10,293
	<u>104,578</u>	<u>33,223</u>

6. Creditors: Amounts Falling Due Within One Year

	2017	2016
	£	£
Trade creditors	4,223	322
Bank loans and overdrafts	81,197	83,251
Corporation tax	67,227	82,200
Other creditors	199,275	182,826
	<u>351,922</u>	<u>348,599</u>

7. Creditors: Amounts Falling Due After More Than One Year

	2017	2016
	£	£
Bank loans	4,084,404	4,165,660
Other creditors	5,565,509	5,589,577
	<u>9,649,913</u>	<u>9,755,237</u>

8. Secured Creditors

Of the creditors falling due within and after more than one year the following amounts are secured.

	2017	2016
	£	£
Bank loans and overdrafts	4,165,601	4,248,911

9. Deferred Taxation

	2017	2016
	£	£
Deferred tax	1,029,900	1,084,105
	<u>1,029,900</u>	<u>1,084,105</u>

10. Share Capital

	2017	2016
Allotted, Called up and fully paid	2	2

Sandhu Property Investment Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2017

11. Directors Advances, Credits and Guarantees

Included within Debtors are the following loans to directors: Mr SS Sandhu loan outstanding of £3,528 (previous year company owed £40) and Mrs KK Sandhu loan outstanding of £3,528 (previous year company owed £40). The loans are unsecured, interest free and repayable on demand.

12. Related Party Transactions

The company is in receipt of loans from SK Finance Limited which has common directors (Mr SS & Mrs KK Sandhu). These are included within other creditors and the value of these on the balance sheet date is £5,578,732 (2016: £5,589,576).

At the balance sheet date the company is owed £4,700 (2016: £4,700) by it's parent company, Harnam Holdings Limited.

13. Ultimate Controlling Party

The company is controlled by Mr SS & Mrs KK Sandhu. They control the company by virtue of their 100% shareholding in the immediate and ultimate parent company, Harnam Holdings Limited. The ultimate controlling party is the same as the controlling party.

The ultimate parent company is Harnam Holdings Limited. The ultimate parent is incorporated in Isle of Man.

14. General Information

Sandhu Property Investment Ltd Registered number 08331521 is a limited by shares company incorporated in England & Wales. The Registered Office is 13B The Vale, London, W3 7SH.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.