

SANDKOT LIMITED
DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017
PAGES FOR FILING WITH REGISTRAR

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COMPANIES HOUSE

John Cumming Ross Limited
Chartered Certified Accountants
1st Floor, Kirkland House
11-15 Peterborough Road
Harrow
Middlesex
HA1 2AX

SANDKOT LIMITED

COMPANY INFORMATION

Directors	Mr A R Kotecha Mr V S Kotecha	(Appointed 8 July 2017)
Secretary	Mrs P S Kotecha	
Company number	01789447	
Registered office	Unit 6, Liberty Centre Mount Pleasant Wembley Middlesex HA0 1TX	
Accountants	John Cumming Ross Limited Chartered Certified Accountants 1st Floor, Kirkland House 11-15 Peterborough Road Harrow Middlesex HA1 2AX	

SANDKOT LIMITED

CONTENTS

	Page
Accountants' report	1
Balance sheet	2 - 3
Notes to the financial statements	4 - 9

SANDKOT LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF SANDKOT LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The following reproduces text of the accountants' Report prepared in respect of the company's annual unaudited financial statements, from which the unaudited financial statements set out on pages 2 to 9 have been extracted.


"In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Sandkot Limited for the year ended 31 March 2017 set out on pages 3 to 11 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at http://www.accaglobal.com/content/dam/ACCA_Global/Technical/fact/technical-factsheet-163.pdf

Our work has been undertaken solely to prepare for your approval the financial statements of Sandkot Limited and state those matters that we have agreed to state to the Board of Directors of Sandkot Limited, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at <http://www.accaglobal.com/factsheet163>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Sandkot Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Sandkot Limited 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 profit of Sandkot Limited. You consider that Sandkot 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 Sandkot 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 financial statements.



John Cumming Ross Limited
Chartered Certified Accountants
1st Floor, Kirkland House
11-15 Peterborough Road
Harrow
Middlesex
HA1 2AX "
18/12/17.....

SANDKOT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3		8,495		10,794
Investment properties	4		8,156,000		8,391,216
			<u>8,164,495</u>		<u>8,402,010</u>
Current assets					
Debtors	5	305,581		299,204	
Cash at bank and in hand		124,276		93,792	
		<u>429,857</u>		<u>392,996</u>	
Creditors: amounts falling due within one year	6	<u>(220,667)</u>		<u>(99,214)</u>	
Net current assets			<u>209,190</u>		<u>293,782</u>
Total assets less current liabilities			<u>8,373,685</u>		<u>8,695,792</u>
Creditors: amounts falling due after more than one year	7		(3,631,190)		(4,131,088)
Provisions for liabilities	9		<u>(463,006)</u>		<u>(535,032)</u>
Net assets			<u><u>4,279,489</u></u>		<u><u>4,029,672</u></u>
Capital and reserves					
Called up share capital			10,000		10,000
Revaluation reserve - non distributable	10		2,766,779		2,824,315
Profit and loss reserves - distributable	10		<u>1,502,710</u>		<u>1,195,357</u>
Total equity			<u><u>4,279,489</u></u>		<u><u>4,029,672</u></u>

The directors of the company have taken advantage under section 444 of the Companies Act 2006 to not deliver the profit and loss account and directors' report within the financial statements.

For the financial year ended 31 March 2017 the company was entitled to exemption from audit under section 477 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 financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

SANDKOT LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2017

The financial statements were approved by the board of directors and authorised for issue on 18/12/17.....
and are signed on its behalf by:


.....
Mr V S Kotecha
Director

Company Registration No. 01789447

SANDKOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Sandkot Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 6, Liberty Centre, Mount Pleasant, Wembley, Middlesex, HA0 1TX.

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.

These financial statements for the year ended 31 March 2017 are the first financial statements of Sandkot 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 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 11.

1.2 Turnover

Turnover represents amounts receivable for rental and service charges from residential and commercial properties. Turnover is recognised at the fair value of the rent received or receivable from letting business and service charges provided in the normal course of business.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost 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	15% on a straight line basis
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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 properties, which are properties held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.5 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 bank and other third parties.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle the liability simultaneously.

SANDKOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

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.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, loans from third parties and loans from related parties, are initially recognised at transaction price, unless the arrangement constitutes a financing transactions, where the debt instruments is measured at the present value of the future payments discounted at market rate of interest. Such instruments are subsequently carried at amortised cost using the effective interest method, less any impairment.

1.6 Taxation

The tax expense represents the sum of the tax currently payable and the movement in the deferred tax due to the adjustment to the revaluation of the properties.

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 liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2016 - 2).

SANDKOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2016	32,874
Disposals	(19,937)
At 31 March 2017	12,937
Depreciation and impairment	
At 1 April 2016	22,080
Depreciation charged in the year	2,104
Eliminated in respect of disposals	(19,742)
At 31 March 2017	4,442
Carrying amount	
At 31 March 2017	8,495
At 31 March 2016	10,794

4 Investment property

	2017 £
Fair value	
At 1 April 2016	8,391,216
Additions	23,862
Disposals	(130,061)
Revaluations	(129,017)
At 31 March 2017	8,156,000

The fair value of the investment properties have been arrived at on the basis of a valuation carried out at 31 March 2017 by the Directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

5 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	23,061	22,075
Other debtors	282,520	277,129
	305,581	299,204

SANDKOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

6 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	130,000	59,145
Trade creditors	-	12,705
Corporation tax	67,368	17,100
Other creditors	23,299	10,264
	<u>220,667</u>	<u>99,214</u>

7 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans and overdrafts	2,782,386	1,914,515
Other creditors	848,804	2,216,573
	<u>3,631,190</u>	<u>4,131,088</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	(2,198,386)	(1,677,935)
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The bank loans of £2,912,386 (2016: £1,973,659) are secured by a fixed charge over company's investment properties.

8 Provisions for liabilities

	2017 £	2016 £
Deferred tax liabilities	463,006	535,032
	<u>463,006</u>	<u>535,032</u>

SANDKOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

9 Deferred taxation

The following are the major deferred tax liabilities recognised by the company and movements thereon:

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
Accelerated capital allowances	1,614	2,159
Revaluations	461,392	532,873
	<u>463,006</u>	<u>535,032</u>
Movements in the year:		2017 £
Liability at 1 April 2016		535,032
Credit to profit or loss		(72,026)
Liability at 31 March 2017		<u>463,006</u>

10 Reserves

The only movements in reserves for the year are other comprehensive income of £71,481, movement in property revaluation and profit for the year. In the prior year, the only movements in the reserves are other comprehensive income of £366,310 and movement in property revaluation and profit for the year. Other comprehensive income arose from a change in the provision required for deferred tax relating to the historic revaluations of properties caused by a change in the corporation tax rate.

11 Reconciliations on adoption of FRS 102

Reconciliation of equity

	1 April 2015 £	31 March 2016 £
Notes		
Equity as reported under previous UK GAAP	2,465,313	4,562,544
Adjustments re: deferred tax on revaluation reserve	(166,564)	(366,310)
As restated	<u>2,298,749</u>	<u>4,196,234</u>
Adjustments arising from transition to FRS 102:		
Deferred tax on revaluation reserve	-	(166,562)
Equity reported under FRS 102	<u>2,298,749</u>	<u>4,029,672</u>

SANDKOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

11 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of profit for the financial period

	2016 £
Profit as reported under previous UK GAAP and under FRS 102	70,710

Notes to reconciliations on adoption of FRS 102

Deferred tax on revaluation reserve

This is the first year that the company has presented its results under FRS 102. The last financial statements under UK GAAP were for the year ended 31 March 2016. The date of transition to FRS 102 was 1 April 2015.

Under UK GAAP the company was not required to provide deferred taxation on revaluations, unless a binding agreement to sell the asset had been reached. Under FRS 102 deferred taxation is required to be provided on revaluations. A deferred tax credit of £166,564 was provided as at 1 April 2015 and in the year ended 31 March 2016, £366,310 was credited to comprehensive income.