

JRL Property (Putney) Limited

Report and Financial Statements

Period Ended

31 December 2016

Company Number 09987909



JRL Property (Putney) Limited

Company Information

Directors	Mr R Gleeson Mr K W Keegan Mr J J Reddington
Company secretary	Mr R Gleeson
Registered number	09987909
Registered office	4 Elstree Way Borehamwood Hertfordshire WD6 1RN
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

JRL Property (Putney) Limited

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Notes to the financial statements	8 - 17

JRL Property (Putney) Limited

Directors' Report for the Period Ended 31 December 2016

The directors present their report and the financial statements for the period ended 31 December 2016.

The company was incorporated on 4 February 2016 and commenced activities on 16 December 2016.

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors 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 company and of the profit or loss of the company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The company's principal activity is that of a property investment company.

Results and dividends

The profit for the period, after taxation, amounted to £168,320.

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the period were:

Mr R Gleeson (appointed 4 February 2016)
Mr K W Keegan (appointed 4 February 2016)
Mr J J Reddington (appointed 4 February 2016)

JRL Property (Putney) Limited

Directors' Report (continued) for the Period Ended 31 December 2016

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, who were appointed during the period, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
Mr R Gleeson
Director

Date: 27-1-17

JRL Property (Putney) Limited

Independent Auditor's Report to the Members of JRL Property (Putney) Limited

We have audited the financial statements of JRL Property (Putney) Limited for the period from 4 February 2016 to 31 December 2016 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

Based on our knowledge and understanding of the company and its environment obtained during the course of the audit we have identified no material misstatements in the directors' report.

JRL Property (Putney) Limited

Independent Auditor's Report to the Members of JRL Property (Putney) Limited

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 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

Thomas Edward Goodworth (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 27-01-17

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

JRL Property (Putney) Limited

Statement of Comprehensive Income for the Period Ended 31 December 2016

		4 February 2016 to 31 December 2016
	Note	
Revenue	4	6,888
Gross profit		<u>6,888</u>
Administrative expenses		(46,547)
Fair value movements		236,760
Operating profit		<u>197,101</u>
Tax on profit	7	(28,781)
Profit for the period		<u><u>168,320</u></u>

All amounts relate to continuing operations.

There was no other comprehensive income for 2016.

The notes on pages 8 to 17 form part of these financial statements.


JRL Property (Putney) Limited
Registered number: 09881014

**Statement of Financial Position
as at 31 December 2016**

	Note	2016 £
Fixed assets		
Tangible fixed assets	8	654,894
Investment property	9	2,450,000
		<u>3,104,894</u>
Current assets		
Debtors	10	586,658
Cash and cash equivalents	11	105,463
		<u>692,121</u>
Creditors: Amounts falling due within one year	12	<u>(2,162,333)</u>
Net current liabilities		<u>(1,470,212)</u>
Total assets less current liabilities		<u>1,634,682</u>
Creditors: Amounts falling due after more than one year	13	(1,405,073)
Deferred tax	15	(60,289)
Net liabilities		<u><u>169,320</u></u>
Capital and reserves		
Called up share capital	16	1,000
Profit and loss account	17	168,320
		<u><u>169,320</u></u>

The company's financial statements have been prepared in accordance with the 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 by:


.....
Mr R. Gleeson
Director

Date: 27-1-17

The notes on pages 8 to 17 form part of these financial statements.

JRL Property (Putney) Limited

Statement of Changes in Equity for the Period Ended 31 December 2016

	Called up share capital £	Profit and loss account £	Total equity £
Comprehensive income for the period			
Profit for the period	-	168,320	168,320
Contributions by owners			
Shares issued during the period	1,000	-	1,000
At 31 December 2016	<u>1,000</u>	<u>168,320</u>	<u>169,320</u>

The notes on pages 8 to 17 form part of these financial statements.

JRL Property (Putney) Limited

Notes to the Financial Statements for the Period Ended 31 December 2016

1. General information

JRL Property (Putney) Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and principal activity are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of JRL Group Holdings Limited as at 31 December 2016 and these financial statements may be obtained from 4 Elstree Way, Borehamwood, Hertfordshire, WD6 1RN.

2.3 Going concern

At the balance sheet date the company had net current liabilities of £1,470,212. Included in the current liabilities however, is a loan from JRL Group Holdings Limited of £2,055,649 which the directors of JRL Group Holdings Limited have confirmed will not be recalled within 12 months from the date of approval of these accounts. As a result of the confirmation letter the directors are confident that the company will continue to be able to meet its debts as they fall due. Accordingly, these financial statements have been prepared on the going concern basis.

JRL Property (Putney) Limited

Notes to the Financial Statements for the Period Ended 31 December 2016

2. Accounting policies (continued)

2.4 Revenue

Revenue represents rental income earned from related parties on freehold property at invoiced amounts less value added tax or local taxes on sales. Rental income is recognised at the end of the month in which it falls due.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures and fittings	- 25% reducing balance
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.6 Investment property

Investment property is carried at fair value determined annually by the directors 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 comprehensive income.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 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.

2.9 Creditors

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

JRL Property (Putney) Limited

Notes to the Financial Statements for the Period Ended 31 December 2016

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, 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 reporting 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 reporting 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 reporting date.

JRL Property (Putney) Limited

Notes to the Financial Statements for the Period Ended 31 December 2016

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Determine whether leases entered into by the company either as a lessor or a lessee are operating lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Key source of estimation uncertainty:

- *Tangible fixed assets (see note 8 and 9)*

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Investment property has been valued by the directors on an open market valuation basis. The valuation is based on assumptions such as current market rents and investment property yields for comparable real estate, which involve an inevitable degree of judgement.

4. Analysis of revenue

All revenue is attributable to rental income and arises solely within the United Kingdom.

5. Operating profit

During the period, no director received any emoluments. The directors are paid by fellow group company, J Reddington Limited.

Auditor's remuneration is borne by a subsidiary of the group.

6. Employees

The company has no employees other than the directors, who did not receive any remuneration.

JRL Property (Putney) Limited

Notes to the Financial Statements for the Period Ended 31 December 2016

7. Taxation

	4 February 2016 to 31 December 2016 £
Corporation tax	
Current tax on profits for the period	(31,508)
Total current tax	<u>(31,508)</u>
Deferred tax	
Origination and reversal of timing differences	60,289
Total deferred tax	<u>60,289</u>
Taxation on profit on ordinary activities	<u><u>28,781</u></u>

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 20.00%. The differences are explained below:

	4 February 2016 to 31 December 2016 £
Profit on ordinary activities before tax	<u>197,101</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00%	39,420
Effects of:	
Difference in tax rates	(10,639)
Total tax charge for the period	<u><u>28,781</u></u>

JRL Property (Putney) Limited

Notes to the Financial Statements for the Period Ended 31 December 2016

8. Tangible fixed assets

	Fixtures and fittings £
Cost	
Additions	654,894
At 31 December 2016	<u>654,894</u>
 Net book value	
At 31 December 2016	<u><u>654,894</u></u>

9. Investment property

	Freehold investment property £
Valuation	
Additions at cost	2,213,240
Surplus on revaluation	236,760
At 31 December 2016	<u><u>2,450,000</u></u>

The 2016 valuations were made by the directors on an open market value basis. In determining the open market value, assumptions such as current market rents and investment property yields for comparable real estate are used.

The historical cost of investment property is £2,213,240.

10. Debtors

	2016 £
Amounts owed by group undertakings	1,000
Other debtors	574,896
Prepayments and accrued income	10,762
	<u><u>586,658</u></u>

All amounts shown under debtors fall due for payment within one year.

JRL Property (Putney) Limited

Notes to the Financial Statements for the Period Ended 31 December 2016

11. Cash and cash equivalents

	2016 £
Cash at bank and in hand	105,463

12. Creditors: Amounts falling due within one year

	2016 £
Bank loans	62,427
Amounts owed to group undertakings	2,099,906
	<u>2,162,333</u>

Secured loans

See note 14 for details.

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

	2016 £
Bank loans	1,405,073

Secured loans

See note 14 for details.

JRL Property (Putney) Limited

Notes to the Financial Statements for the Period Ended 31 December 2016

14. Loans

Analysis of the maturity of loans is given below:

	2016 £
Amounts falling due within one year	
Bank loans	62,427
Amounts falling due between one and two years	
Bank loans	63,394
Amounts falling due between two and five years	
Bank loans	199,169
Amounts falling due after more than five years	
Bank loans	1,142,510
Total	<u><u>1,467,500</u></u>

Secured loans

The bank loan is secured over the operating leases held in respect of freehold land and buildings and all the assets of the company as well as those of other group companies, as detailed in note 20.

A new loan of £1,467,500 was taken out in December 2016. The bank loan is repayable in instalments over 20 years, with £91,206 being payable within the next year. Interest is charged at 1.75% + LIBOR, with interest being 2.25% for the year ending 31 December 2016.

15. Deferred taxation

	2016 £
Charged to the income statement	(60,289)
At end of year	<u><u>(60,289)</u></u>

The deferred taxation balance is made up as follows:

	2016 £
Accelerated capital allowances	(20,040)
Unrealised gains on property revaluations	(40,249)
	<u><u>(60,289)</u></u>

JRL Property (Putney) Limited

Notes to the Financial Statements for the Period Ended 31 December 2016

16. Share capital

	2016 £
Allotted, called up and fully paid	
1,000 ordinary shares of £1 each	1,000

On incorporation, the company issued 1,000 ordinary £1 shares at par.

17. Reserves

Profit and loss account

Profit and loss accounts represents cumulative profits or losses, net of dividends paid and other adjustments.

18. Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

During the period ended 31 December 2016, the company entered into transactions and had outstanding balances with the following companies which are related by common control:

Related party transactions and balances

	Sales to related parties £	Purchases from related parties £	Amounts owed by related parties £	Amounts owed to related parties £
2016				
J Reddington Limited	6,888	1,452	-	44,257
Midgard Limited	-	664,362	-	-
	<u>6,888</u>	<u>665,814</u>	<u>-</u>	<u>44,257</u>

Included in purchases from related parties are management charges from J Reddington Limited of £1,452.

19. Ultimate parent undertaking and controlling party

The immediate and ultimate parent company is JRL Group Holdings Limited, a company registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by JRL Group Holdings Limited. The consolidated accounts are available to the public and may be obtained from 4 Elstree Way, Borehamwood, Hertfordshire, WD6 1RN.

JRL Property (Putney) Limited

Notes to the Financial Statements for the Period Ended 31 December 2016

20. Guarantees

During the period ended 31 December 2016, the company provided an unlimited cross guarantee in respect of a group overdraft and invoice discounting facilities, secured over all assets of the company and those of fellow companies within the group headed by JRL Group Holdings Limited. As at the 31 December 2016, the net indebtedness of the above companies in respect of those facilities is £1,716,638.