

NEWBY TEAS (UK) LIMITED
DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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NEWBY TEAS (UK) LIMITED

COMPANY INFORMATION

Directors	N K Sethia A Jain A Bhattacharya A Aslakhanova R Sethia S Sethia
Company number	03904465
Registered office	105 St John Street London EC1M 4AS
Auditor	Ferguson Maidment & Co Chartered Accountants 167 Fleet Street London EC4A 2EA
Business address	105 St John Street London EC1M 4AS

NEWBY TEAS (UK) LIMITED

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NEWBY TEAS (UK) LIMITED(COMPANY NUMBER: 03904465)DIRECTORS REPORT

The directors submit their report with the financial statements of the company for the year ended 31 March 2023.

DIRECTORS

The directors at 31 March 2023 who served during the year were as follows:-

Nirmal K Sethia
Amrao Jain
Arun Bhattacharya
Aneta Aslakhanova
Richa Sethia
Shraddha Sethia

STATEMENT OF DISCLOSURE TO THE AUDITOR

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the companies' auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make himself/herself aware of all relevant audit information and to establish that the companies' auditor is aware of that information.

This report has been prepared with the provisions applicable to companies entitled to the small companies' exemption.

AUDITORS

During the period, Ferguson Maidment & Co Chartered Accountants ceased to be auditor and were subsequently appointed as the auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they will be re-appointed will be put at a General Meeting.

On behalf of the board


.....
N. K. SETHIA

Director

105 St John Street
London
EC1M 4AS

10 August 2023

NEWBY TEAS (UK) LIMITEDDIRECTORS RESPONSIBILITIES STATEMENT**Statement of director's responsibilities**

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the 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 to apply them consistently;
- make judgements and 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 to 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.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OFNEWBY TEAS (UK) LIMITEDOpinion

We have audited the financial statements of Newby Teas (UK) Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of income and retained earnings, balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF

NEWBY TEAS (UK) LIMITED (CONTINUED)

Other information

- The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF

NEWBY TEAS (UK) LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, and health and safety legislation.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF

NEWBY TEAS (UK) LIMITED (CONTINUED)

The extent to which the audit was considered capable of detecting irregularities including fraud (continued)

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur; by:
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative or potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF

NEWBY TEAS (UK) LIMITED (CONTINUED)

The extent to which the audit was considered capable of detecting irregularities including fraud (continued)

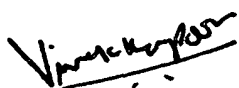
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion:

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



Vivek Kapoor (Senior Statutory Auditor)

For and on behalf of
Ferguson Maidment & Co.
Chartered accountants & statutory auditor
167 Fleet Street
London
EC4A 2EA

10 August 2023

NEWBY TEAS (UK) LIMITEDSTATEMENT OF INCOME AND RETAINED EARNINGSFOR THE YEAR ENDED 31 MARCH 2023

	<u>Notes</u>	<u>Year ended</u> <u>31st March 2023</u> £	<u>Year ended</u> <u>31st March 2022</u> £
TURNOVER		3,904,112	4,515,743
Cost of sales		(2,270,249)	(2,921,344)
Gross profit		1,633,863	1,594,399
Administrative expenses		(1,533,880)	(1,449,705)
Other Operating Income	4	-	58,984
OPERATING PROFIT		99,983	203,678
Impairment of investment		(58,058)	-
PROFIT before taxation		41,925	203,678
Tax on profit		-	-
PROFIT for the financial year		41,925	203,678
		=====	=====

The accompanying notes on pages 9 to 17 form an integral part of these financial statements.

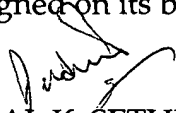
NEWBY TEAS (UK) LIMITEDSTATEMENT OF FINANCIAL POSITIONAS AT 31 MARCH 2023

	Notes	<u>2023</u> £	<u>2022</u> £
FIXED ASSETS			
Construction In Progress	5	256,300	-
Investments	6	22,320	80,378
		<u>278,620</u>	<u>80,378</u>
CURRENT ASSETS			
Stocks		566,448	448,681
Debtors	7	3,013,518	1,929,430
Cash at bank & in hand		613,742	389,797
		<u>4,193,708</u>	<u>2,767,908</u>
CREDITORS: amounts falling due within one year	8	(3,018,273)	(1,436,156)
		<u>1,175,435</u>	<u>1,331,752</u>
NET CURRENT ASSETS			
		<u>£ 1,454,055</u>	<u>£ 1,412,130</u>
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	9	1,000,000	1,000,000
Profit and loss reserves		454,055	412,130
Total Equity		<u>£ 1,454,055</u>	<u>£ 1,412,130</u>
		=====	=====

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

The financial statements were approved by the board of directors and authorised for issue on 10th August 2023

and signed on its behalf by:


NIRMAL K. SETHIA
Director

The accompanying notes on pages 9 to 17 form an integral part of these financial statements.

NEWBY TEAS (UK) LIMITEDSTATEMENT OF CHANGES IN EQUITYFOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital	Profit and loss account	Total equity
Balance At 31 March 2020	1,000,000	458,054	1,458,054
Profit and total comprehensive income for the period	-	(249,602)	-
Balance At 31 March 2021	1,000,000	208,452	1,208,452
Profit and total comprehensive income for the period	-	203,678	-
Balance At 31 March 2022	1,000,000	412,130	1,412,130
Profit and total comprehensive income for the period	-	41,925	-
Balance At 31 March 2023	1,000,000	454,055	1,454,055

Included in the profit and loss account is 41,925 (2022: profit £203,678) of profit.

The accompanying notes on pages 9 to 17 form an integral part of these financial statements.

NEWBY TEAS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

Company information

Newby Teas (UK) Limited is a private company limited by shares, registered and domiciled in England and Wales, and with a Companies House registration number 03904465. The registered office is N. Sethia House, 105 St. John Street, London, EC1M 4AS, which is also the registered office of the company preparing group accounts.

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 FRS102 have been applied other than where additional disclosure is required to show a true and fair value.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements contain information about Newby Teas (U.K.) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent, N. Sethia Group Limited, a company registered in England and Wales.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation, that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover represents amounts receivable in relation to the sale of goods net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

NEWBY TEAS (UK) LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 20231. ACCOUNTING POLICIES (CONTINUED)Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Fixed asset Investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Stock

Stock are stated at the lower cost and estimated selling price less costs to complete and sell. In respect of work in progress and finished goods, cost includes a relevant proportion of overheads according to the stage of manufacture or completion.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Taxation

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

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.

NEWBY TEAS (UK) LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONT'D)FOR THE YEAR ENDED 31 MARCH 20231. ACCOUNTING POLICIES (CONTINUED)Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

Foreign Exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

Operating lease agreements

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

NEWBY TEAS (UK) LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONT'D)FOR THE YEAR ENDED 31 MARCH 20231. ACCOUNTING POLICIES (CONTINUED)Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all the attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

NEWBY TEAS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2023

2. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was 11 (2022: 14).

3. AUDIT FEES

Audit fees amounted to £4,000 (2022: £4,000) for the audit services for the year to 31 March 2023.

4. OTHER OPERATING INCOME

	<u>2023</u>	<u>2022</u>
	£	£
CJRS Grant Income	-	58,984
	<hr/>	<hr/>
	-	58,984
Other operating income	<hr/>	<hr/>

5. CONSTRUCTION IN PROGRESS

During the year, the company spent £256,300 on construction of Newby boutique which will be completed in the next financial year.

6. INVESTMENTS

	<u>Total</u>
<u>At cost less impairment provision</u>	
At 31st March 2023	80,378
Addition	-
Provision	(58,058)
	<hr/>
	22,320
	=====

The investment is within an overseas associate in which Newby Teas (UK) Limited own 37% of the shares and is fully impaired. The company invested in Newby GmbH last year, owns 100% of the shares, and will be consolidated in the group accounts.

NEWBY TEAS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2023

7.	<u>DEBTORS</u>	<u>2023</u>	<u>2022</u>
		£	£
	Trade debtors	1,985,926	1,817,078
	Prepayments	21,987	4,961
	VAT	33,690	10,803
	Other debtors	2,000	69,262
	Amounts due from Group undertakings	969,915	27,326
		<u>3,013,518</u>	<u>1,929,430</u>
8.	<u>CREDITORS: amounts falling due within one year</u>	<u>2023</u>	<u>2022</u>
		£	£
	Trade Creditors	256,905	35,655
	Other Creditors	1,145,616	85,478
	Amounts owed to Group undertakings	1,574,822	1,281,969
	Accruals	24,852	16,364
	Other taxes and social security	16,078	16,690
		<u>3,018,273</u>	<u>1,436,156</u>
9.	<u>SHARE CAPITAL</u>	Authorised	Allotted called up and fully paid
		<u>2023</u> No.	<u>2022</u> No.
		<u>2023</u> £	<u>2022</u> £
	Ordinary £1 shares	1,000,000	1,000,000

10. RELATED PARTY TRANSACTIONS

There is loan of £969,915 and sales of £476,963 to Newby Germany GmbH that required disclosure between the Company and related parties.

11. PARENT ENTITY

The company is a subsidiary of Sethia London Limited, a company incorporated in England and Wales, whose registered address is N. Sethia House, 105 St. John Street, London, EC1M 4AS.

The ultimate parent of the company is N Sethia Group, a company incorporated in England and Wales, whose registered address is N. Sethia House, 105 St. John Street, London, EC1M 4AS.