

Lucca Limited

Unaudited Financial Statements

Year Ended

30 June 2020

Company Number 03929068



Lucca Limited
Registered number:03929068

Statement of Financial Position
As at 30 June 2020

	Note	2020 £	2019 £
Current assets			
Debtors	5	15,953,344	19,807,118
Creditors: amounts falling due within one year	6	(9,372,257)	(14,384,460)
Net current assets		<u>6,581,087</u>	<u>5,422,658</u>
Total assets less current liabilities		<u>6,581,087</u>	<u>5,422,658</u>
Net assets		<u><u>6,581,087</u></u>	<u><u>5,422,658</u></u>
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account		<u>6,581,086</u>	<u>5,422,657</u>
		<u><u>6,581,087</u></u>	<u><u>5,422,658</u></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 the 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.

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 by:



M J Tannenbaum
Director

Date: 24.11.2020

The notes on pages 2 to 5 form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2020

1. General information

Lucca Limited is a private Company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The principal place of business is 3 Barrett Street, London, W1U 1AY. The principal activity of the Company is unsecured lending to Westcity Properties Limited to finance secured lending on a senior and mezzanine basis in the property sector.

These financial statements are presented in Pounds Sterling (GBP), and this is the currency in which the majority of the Company's transactions are denominated. The Company has also determined that GBP is its functional currency as this is the currency of the economic environment in which the Company operates.

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

The following principal accounting policies have been applied:

2.2 Going concern

The directors of the Company are currently assessing the impact of COVID-19. The situation is evolving rapidly and it is not possible at this stage to determine with any certainty the impact on the Company, its customers and suppliers. The directors are continually reviewing their plans and forecasts and believe that the going concern basis is appropriate as the directors are confident that the company will continue operations for at least twelve months from the date of signing the accounts for the year ended 30 June 2020.

2.3 Revenue

Turnover represents interest accrued on loans.

2.4 Group accounts

No group accounts have been prepared as the Group is classified as small and therefore exempt from preparing group accounts.

2.5 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.

2.6 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.

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Notes to the Financial Statements For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.7 Financial instruments

The Company only enters into basic financial instrument 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 and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.8 Current and deferred taxation

Tax is recognised in profit or loss 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 Statement of Financial Position 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

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Notes to the Financial Statements For the Year Ended 30 June 2020

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

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors have made no key judgements or estimations in preparing these financial statements.

4. Employees

The average monthly number of employees, including directors, during the year was 3 (2019 - 3).

5. Debtors

	2020 £	2019 £
Amounts owed by related undertakings	15,953,343	19,807,117
Called up share capital not paid	1	1
	<u>15,953,344</u>	<u>19,807,118</u>

6. Creditors: Amounts falling due within one year

	2020 £	2019 £
Shareholders loan account	8,533,616	13,710,116
Corporation tax	230,306	70,009
Other creditors	604,335	604,335
Accruals and deferred income	4,000	-
	<u>9,372,257</u>	<u>14,384,460</u>

7. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 (2019 - 1) Ordinary share of £1.00	1	1
	<u>1</u>	<u>1</u>

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Notes to the Financial Statements For the Year Ended 30 June 2020

8. Related party transactions

At the year end the company owed £8,533,616 (2019 - £13,710,116) to Wellington International Investments Limited. This amount has no fixed date of repayment and is interest free. The loan is not secure. Lucca Limited is 100% owned by Wellington International Investments Limited.

At the year end, £604,335 (2019 - £604,335) was payable to Alra Properties Limited. The loan is interest free, unsecured and has not fixed date of repayment. Lucca Limited has a significant interest in Alra Properties Limited.

During the year a loan of £7,485,000 (2019 - £20,833,000) was advanced to Westcity Properties Limited, a company which is related due to common control by Mr. I.S. Rapp. During the year total repayments were £12,661,500 (2019 - £15,727,250). During the year the loan incurred interest of £1,752,809 (2019 - £994,902). At the year end £15,953,343 (2019 - £19,807,117) was due to the Company from Westcity Properties Limited. The loan is unsecured and has no fixed date of repayment.

During the year, Westcity Properties Limited, charged £430,083 (2019 - £715,675) in relation to management services provided. At the year end, £Nil (2019 - £Nil) was due to Westcity Properties Limited.

9. Controlling party

The company is 100% owned by Wellington International Investments Limited, a company incorporated in the British Virgin Islands. The ultimate controlling party is The Maldini Trust.