

Registered number: 03929068

LUCCA LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2018

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LUCCA LIMITED

COMPANY INFORMATION

Directors	M J Tannenbaum I S Rapp
Company secretary	M J Tannenbaum
Registered number	03929068
Registered office	5 New Street Square London EC4A 3TW

LUCCA LIMITED

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LUCCA LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2018

The directors present their report and the financial statements for the period ended 30 June 2018.

Directors' responsibilities statement

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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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 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.

Results and dividends

The profit for the period, after taxation, amounted to £2,038,867 (2017 - £1,907,102).

During the period the Company paid dividends totalling £nil (2017: £Nil).

Directors

The directors who served during the period were:

M J Tannenbaum
I S Rapp

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.

LUCCA LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2018

This report was approved by the board on 10 MAY 2019 and signed on its behalf.



M J Tannenbaum
Secretary

LUCCA LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF LUCCA LIMITED
FOR THE PERIOD ENDED 30 JUNE 2018**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Lucca Limited for the period ended 30 June 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Lucca Limited, as a body, in accordance with the terms of our engagement letter dated 25 January 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Lucca Limited and state those matters that we have agreed to state to the Board of Directors of Lucca Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lucca Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Lucca 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 or loss of Lucca Limited. You consider that Lucca Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or review of the financial statements of Lucca 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.



BDO LLP

150 Aldersgate Street
London
EC1A 4AB

Date:

13 May 2019

LUCCA LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2018**

	Note	2018 £	Restated 2017 £
Turnover		2,498,195	2,554,915
Gross profit		2,498,195	2,554,915
Impairment loss		-	(348,000)
Operating profit		2,498,195	2,206,915
Tax on profit	5	(459,328)	(299,813)
Profit for the financial period		2,038,867	1,907,102

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 7 to 12 form part of these financial statements.

LUCCA LIMITED

**BALANCE SHEET
AS AT 30 JUNE 2018**

			30 June 2018 £	Restated 30 April 2017 £
Fixed assets	Note			
Investments	6		49	49
			<u>49</u>	<u>49</u>
Current assets				
Debtors: amounts falling due within one year	7	14,005,282	14,868,686	
		<u>14,005,282</u>	<u>14,868,686</u>	
Creditors: amounts falling due within one year	8	(8,911,655)	(11,813,926)	
Net current assets			<u>5,093,627</u>	<u>3,054,760</u>
Total assets less current liabilities			<u>5,093,676</u>	<u>3,054,809</u>
Net assets			<u><u>5,093,676</u></u>	<u><u>3,054,809</u></u>
Capital and reserves				
Called up share capital			1	1
Profit and loss account			5,093,675	3,054,808
			<u><u>5,093,676</u></u>	<u><u>3,054,809</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 period in question in accordance with section 476 of 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 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 on

10 MAY 2019



M J Tannenbaum
Director

The notes on pages 7 to 12 form part of these financial statements.

LUCCA LIMITED
REGISTERED NUMBER: 03929068

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2017	1	3,054,808	3,054,809
Comprehensive income for the period			
Profit for the period	-	2,038,867	2,038,867
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	2,038,867	2,038,867
Total transactions with owners	-	-	-
At 30 June 2018	1	5,093,675	5,093,676

The notes on pages 7 to 12 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 APRIL 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2016	1	1,147,706	1,147,707
Comprehensive income for the year			
Profit for the year (restated)	-	1,907,102	1,907,102
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,907,102	1,907,102
Total transactions with owners	-	-	-
At 30 April 2017	1	3,054,808	3,054,809

The notes on pages 7 to 12 form part of these financial statements.

LUCCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

1. General information

Lucca Limited is a private company limited by shares (registered number 03929068) that is both registered and domiciled in England. Its registered address is 5 New Street Square, London, EC4A 3TW. The principal place of business is 3 Barrett Street, London, W1U 1AY.

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 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 Revenue

Turnover represents interest accrued on loans.

2.3 Taxation

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 balance sheet 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 Balance Sheet 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 balance sheet date.

LUCCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.4 Valuation of investments

Fixed asset investments are stated at cost, less provision for any diminution in value.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.5 Group accounts

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

2.6 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.

2.7 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.

2.8 Financial instruments

Financial instruments are recognised in the Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are measured as set out below. A financing transaction is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Classification

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102.

Subsequent measurement

Loans and receivables are measured at amortised cost, using the effective interest method. Trade debtors and trade payables are recognised at the undiscounted amount owed by the customer or to the supplier, which is normally the invoice amount.

LUCCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

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.

Due to the simplicity of the Company's transaction streams and year-end financial position, the directors consider there to be no critical judgements, estimates or assumptions in the preparation of these financial statements.

4. Employees

The average monthly number of employees, including the directors, during the period was as follows:

	2018 No.	2017 No.
Staff	<u>2</u>	<u>2</u>

5. Taxation

	2018 £	<i>Restated</i> 2017 £
Corporation tax		
Current tax on profits for the year	474,657	383,485
Adjustments in respect of previous periods	(15,329)	(83,672)
	<u>459,328</u>	<u>299,813</u>
Total current tax	<u>459,328</u>	<u>299,813</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>459,328</u>	<u>299,813</u>

Factors affecting tax charge for the period/year

There were no factors that affected the tax charge for the period/year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2017 - 19%).

LUCCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

6. Fixed asset investments

	Shares £
Cost or valuation	
At 1 May 2017	486,049
At 30 June 2018	<u>486,049</u>
Impairment	
At 1 May 2017	486,000
At 30 June 2018	<u>486,000</u>
Net book value	
At 30 June 2018	<u><u>49</u></u>
At 30 April 2017	<u><u>49</u></u>

Significant Interest

The company has interest of 20% or greater of the nominal value of the allotted shares in the following companies as at 30 June 2018:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Arla Properties Limited	United Kingdom	B ordinary	100 %	Trading in residential property

LUCCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

7. Debtors

	30 June 2018 £	<i>Restated 30 April 2017 £</i>
Other debtors	13,664,052	<i>14,868,685</i>
Called up share capital not paid	1	<i>1</i>
Prepayments and accrued income	341,229	<i>-</i>
	<u>14,005,282</u>	<i><u>14,868,686</u></i>

8. Creditors: Amounts falling due within one year

	30 June 2018 £	<i>Restated 30 April 2017 £</i>
Amounts owed to group undertakings	7,604,236	<i>10,988,233</i>
Corporation tax	704,664	<i>179,218</i>
Other creditors	602,755	<i>646,475</i>
	<u>8,911,655</u>	<i><u>11,813,926</u></i>

9. Related party transactions

At the year end the company owed £7,604,236 (2017: £10,928,233) to Wellington International Investments Limited. This amount has no fixed date of repayment and is interest free. The loan is not secured. Lucca Limited is 100% owned by Wellington International Investments Limited.

At the year end £602,755 (2017: £646,475) was payable to Alra Properties Limited. The loan incurred interest of £nil (2017: £Nil). The loan is unsecured and has no fixed date of repayment. Lucca Limited has a significant interest in Alra Properties Limited.

During the year a loan of £18,965,000 (2017: £15,110,000) was advanced to Westcity Properties Limited, a company which is related due to common control by I. Rapp. The loan incurred interest of £2,498,196 (2017: £2,554,915) during the year. The loan is unsecured and has no fixed date of repayment. At the year end £13,664,052 (2017: £13,864,767) was due to the company from Westcity Properties Limited.

10. 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.

LUCCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

11. Prior period error correction

The financial statements have been restated for the year ended 30 April 2017 to reflect the impact of the following prior year error correction.

Nature of correction

During the prior period the loan owed to the parent company was incorrectly overstated as a result of an incorrect recording of a loan advance. In addition interest receivable for the period was understated as a result of an error in the interest accrued for the period. This has consequently had an impact on the tax liability in the prior period.

	<i>Unaudited 2017 £</i>	<i>Prior period Correction £</i>	<i>Unaudited, restated 2017 £</i>
Turnover	1,307,133	1,247,782	2,554,915
Taxation on profit/ (loss) on ordinary activities	(69,806)	(230,007)	(299,813)
Other debtors	14,853,185	15,500	14,868,685
Loan from parent company	(12,220,516)	1,232,283	(10,988,233)
Corporation tax	50,789	(230,007)	(179,218)
	<u> </u>	<u> </u>	<u> </u>