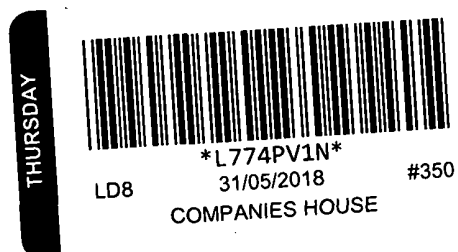


Baobao Limited
Filleted Unaudited Financial Statements
31 August 2017



Shah Dodhia & Co
Chartered accountant
173 Cleveland Street
London
W1T6 QR

Baobao Limited

Financial Statements

Year ended 31 August 2017

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Baobao Limited

Statement of Financial Position

31 August 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	4	1,159,966	2,397,917
Current assets			
Debtors	5	3,360,884	5,847,194
Cash at bank and in hand		33,052	8,480
		<u>3,393,936</u>	<u>5,855,674</u>
Creditors: amounts falling due within one year	6	<u>164,079</u>	<u>162,780</u>
Net current assets		<u>3,229,857</u>	<u>5,692,894</u>
Total assets less current liabilities		<u>4,389,823</u>	<u>8,090,811</u>
Creditors: amounts falling due after more than one year	7	<u>5,479,511</u>	<u>7,837,530</u>
Net (liabilities)/assets		<u><u>(1,089,688)</u></u>	<u><u>253,281</u></u>
Capital and reserves			
Called up share capital		1	1
Revaluation reserve		–	40,589
Equity contribution		231,665	231,665
Profit and loss account		<u>(1,321,354)</u>	<u>(18,974)</u>
Shareholders (deficit)/funds		<u><u>(1,089,688)</u></u>	<u><u>253,281</u></u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 31 August 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- 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;
- 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 statement of financial position
continues on the following page.

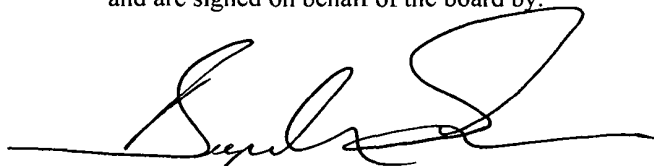
The notes on pages 4 to 7 form part of these financial statements.

Baobao Limited

Statement of Financial Position *(continued)*

31 August 2017

These financial statements were approved by the board of directors and authorised for issue on 28/2/2018,
and are signed on behalf of the board by:



Mr Deepinder Singh Obhrai
Director

Company registration number: 05965968

Baobao Limited

Statement of Changes in Equity

Year ended 31 August 2017

	Called up share capital £	Revaluation reserve £	Equity contribution £	Profit and loss account £	Total £
At 1 September 2015	1	795,705	–	88,107	883,813
Loss for the year				(107,081)	(107,081)
Other comprehensive income for the year:					
Revaluation of tangible assets	–	(755,116)	–	–	(755,116)
Total comprehensive income for the year	–	(755,116)	–	(107,081)	(862,197)
Fair value movement on interest free loan from subsidiary and related undertaking	–	–	231,665	–	231,665
Total investments by and distributions to owners	–	–	231,665	–	231,665
At 31 August 2016	1	40,589	231,665	(18,974)	253,281
Loss for the year				(1,302,380)	(1,302,380)
Other comprehensive income for the year:					
Revaluation of investment in subsidiary	–	(40,589)	–	–	(40,589)
Total comprehensive income for the year	–	(40,589)	–	(1,302,380)	(1,342,969)
At 31 August 2017	<u>1</u>	<u>–</u>	<u>231,665</u>	<u>(1,321,354)</u>	<u>(1,089,688)</u>

The notes on pages 4 to 7 form part of these financial statements.

Baobao Limited

Notes to the Financial Statements

Year ended 31 August 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 173 Cleveland Street, London, W1T 6QR.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Investment in subsidiary

Investments in subsidiary company is stated at the net asset values of the subsidiary company, which is considered to be their fair values, unless the net asset value is negative, in which case the investment's carrying value is considered to be nil. Differences between the net asset value and historical cost are recognised in other comprehensive income (OCI) in accordance with FRS 102.17.15.E-F, with net revaluation gains recognised in OCI and net revaluation losses in profit and loss to the extent that these are not reversals of previous revaluation gain.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 September 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 10.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

Financial instruments

Borrowings classified as basic financial instruments

Borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Baobao Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

4. Investments

	Shares in group undertakings £
Cost	
At 1 September 2016	2,397,917
Revaluations	(1,237,951)
At 31 August 2017	<u>1,159,966</u>
Carrying amount	
At 31 August 2017	<u>1,159,966</u>
At 31 August 2016	<u>2,397,917</u>

The company owns 100% of the issued share capital of Cool Inn Ltd, a company incorporated in England.

5. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	3,329,158	5,806,182
Other debtors	31,726	41,012
	<u>3,360,884</u>	<u>5,847,194</u>

Included in debtors is £3,329,158 (2016: £5,806,182) amounts owed by group undertaking which is due after more than one year.

6. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	120,000	120,000
Corporation tax	4,742	—
Other creditors	39,337	42,780
	<u>164,079</u>	<u>162,780</u>

7. Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans and overdrafts	4,775,000	4,895,000
Amounts owed to group undertakings	704,511	2,942,530
	<u>5,479,511</u>	<u>7,837,530</u>

Baobao Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

7. Creditors: amounts falling due after more than one year *(continued)*

The bank loan is secured by first legal charges over freehold properties owned by certain group undertakings and unlimited cross guarantees from certain group undertakings.

8. Related party transactions

As the company is a wholly owned subsidiary of Sycamore Limited, a company registered in Isle of Man, the company has taken advantage of the exemption contained in in FRS 102.33 and has therefore not disclosed transactions on balances with entities which form part of the group headed by Sycamore Ltd.

9. Controlling party

The company is a wholly owned subsidiary of Sycamore Ltd, a company incorporated in Isle of Man.

10. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 September 2015.

Reconciliation of equity

	1 September 2015			31 August 2016		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Fixed assets	3,153,033	—	3,153,033	2,397,917	—	2,397,917
Current assets	6,421,429	—	6,421,429	5,855,674	—	5,855,674
Creditors: amounts falling due within one year	(314,773)	—	(314,773)	(162,780)	—	(162,780)
Net current assets	<u>6,106,656</u>	—	<u>6,106,656</u>	<u>5,692,894</u>	—	<u>5,692,894</u>
Total assets less current liabilities	9,259,689	—	9,259,689	8,090,811	—	8,090,811
Creditors: amounts falling due after more than one year	(8,375,876)	—	(8,375,876)	(7,962,583)	125,053	(7,837,530)
Net (liabilities)/assets	<u>883,813</u>	—	<u>883,813</u>	<u>128,228</u>	<u>125,053</u>	<u>253,281</u>
Capital and reserves	<u>883,813</u>	—	<u>883,813</u>	<u>128,228</u>	<u>125,053</u>	<u>253,281</u>

Baobao Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

10. Transition to FRS 102 *(continued)*

Notes to the reconciliations

A. Basic debt instruments

Intra group loans

FRS 102 requires a basic debt instrument to be measured at fair value. This has resulted in the company recognising equity distributions of £231,665 in respect of the interest free intra group loans at 31st August 2016. In the year to 31 August 2016, interest expense of £106,612 was recognised in respect of the loans.