

Financial Statements for the Year Ended 31 March 2022

for

LUK Hospitalities Limited

Contents of the Financial Statements
for the Year Ended 31 March 2022

	Page
Balance Sheet	1
Notes to the Financial Statements	2

Balance Sheet
31 March 2022

	Notes	31.3.22 £	£	31.3.21 £	£
FIXED ASSETS					
Intangible assets	4		222,557		263,019
Tangible assets	5		<u>4,595,184</u>		<u>4,631,557</u>
			4,817,741		4,894,576
CURRENT ASSETS					
Stocks	6	29,883		26,916	
Debtors	7	53,187		102,064	
Cash in hand	8	<u>339,847</u>		<u>118,394</u>	
		422,917		247,374	
CREDITORS					
Amounts falling due within one year	9	<u>748,319</u>		<u>855,257</u>	
NET CURRENT LIABILITIES			<u>(325,402)</u>		<u>(607,883)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,492,339		4,286,693
CREDITORS					
Amounts falling due after more than one year	10		<u>229,927</u>		<u>427,500</u>
NET ASSETS			<u>4,262,412</u>		<u>3,859,193</u>
CAPITAL AND RESERVES					
Called up share capital	11		4,636,000		4,500,000
Accumulated losses	12		<u>(373,588)</u>		<u>(640,807)</u>
SHAREHOLDERS' FUNDS			<u>4,262,412</u>		<u>3,859,193</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 18 July 2022 and were signed on its behalf by:

N Chatterjee - Director

Notes to the Financial Statements
for the Year Ended 31 March 2022

1. STATUTORY INFORMATION

LUK Hospitality Limited is a private company, limited by shares, registered in England and Wales is engaged into carrying on the business of running hotels and other related services. The company's registered number and registered office address can be found on the Company Information page.

The financial statements are presented in sterling which is the functional currency of the company.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents amounts receivable for accommodation, food and beverage and other ancillary hotel services provided, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be measured reliably. Deposits which have been received at the reporting date for which services have not yet been provided are included in other creditors.

Goodwill

Goodwill being the amount paid in connection with the acquisition of a business in the hospitality industry is capitalized and classified as an asset on the Balance sheet and amortized on a straight-line basis over its useful life. The Period chosen for amortizing Goodwill is 10 years. Provision is made for impairment, if any.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on all tangible fixed assets, at following annual rates in order to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life.

Long leasehold - Equal instalments over lease period

Equipment and machinery - 20% on cost

Furniture and fixtures - 10% on Cost

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. ACCOUNTING POLICIES - continued

Government grants

Government grants are recognized at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received. Compensation for costs already incurred or for immediate financial support, with no future related costs, should be recognized as income in the period it is receivable. A grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, is recognized as income in the period in which it is receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognized in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Provisions

Provisions are recognized when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Loans and borrowings

Loans and borrowings are initially recognized at the transaction price including transaction costs. Subsequently, they are measured at amortized cost using the effective interest rate method.

Current and Non-current

The company classifies assets as the current assets wherever it expects to realize the asset or intends to sell or consume it in its normal operating cycle or within twelve months after the reporting period. All other assets are classified as non-current assets. The company discloses the amount due after more than one year in the notes to the financial statements and disclosure on the face of the balance sheet is not required.

The company classifies liabilities as the current liabilities wherever it expects to settle the liabilities in its normal operating cycle or within twelve months after the reporting period or does not have an unconditional right to defer the settlement of the liabilities for at least twelve months after the reporting period. All other liabilities are classified as non-current liabilities.

Interest expenses and interest income

Interest income is recognized using the effective interest method.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. ACCOUNTING POLICIES - continued

Interest expense and similar charges are expensed in the profit and loss statement on the period in which they are incurred, except to the extent that they are capitalized as being attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in the profit and loss statement using the effective interest method.

Inventory

Inventory is valued at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Pension costs

The company operates a defined contribution plan for the benefit of its employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. **ACCOUNTING POLICIES - continued**

Debtors

Basic financial assets, including trade and other debtors, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Creditors

Basic financial liabilities, including trade and other creditors, loans from third parties and loans from related parties, 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. Such instruments are subsequently carried at amortised cost using the effective interest method, less any impairment.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 40 (2021 - NIL) .

4. **INTANGIBLE FIXED ASSETS**

	Goodwill £
COST	
At 1 April 2021	
and 31 March 2022	<u>687,808</u>
AMORTISATION	
At 1 April 2021	424,789
Amortisation for year	<u>40,462</u>
At 31 March 2022	<u>465,251</u>
NET BOOK VALUE	
At 31 March 2022	<u>222,557</u>
At 31 March 2021	<u>263,019</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

5. **TANGIBLE FIXED ASSETS**

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2021	4,570,042	82,458	227,488	4,879,988
Additions	15,090	35,167	1,363	51,620
At 31 March 2022	<u>4,585,132</u>	<u>117,625</u>	<u>228,851</u>	<u>4,931,608</u>
DEPRECIATION				
At 1 April 2021	155,001	39,668	53,762	248,431
Charge for year	45,897	19,247	22,849	87,993
At 31 March 2022	<u>200,898</u>	<u>58,915</u>	<u>76,611</u>	<u>336,424</u>
NET BOOK VALUE				
At 31 March 2022	<u>4,384,234</u>	<u>58,710</u>	<u>152,240</u>	<u>4,595,184</u>
At 31 March 2021	<u>4,415,041</u>	<u>42,790</u>	<u>173,726</u>	<u>4,631,557</u>

6. **STOCKS**

	31.3.22 £	31.3.21 £
Inventory	<u>29,883</u>	<u>26,916</u>

7. **DEBTORS**

	31.3.22 £	31.3.21 £
Amounts falling due within one year:		
Trade debtors	15,424	-
Other debtors	23,214	87,064
Prepayments and accrued income	<u>9,549</u>	<u>5,000</u>
	<u>48,187</u>	<u>92,064</u>
Amounts falling due after more than one year:		
Prepayments and accrued income	<u>5,000</u>	<u>10,000</u>
Aggregate amounts	<u>53,187</u>	<u>102,064</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

8. CASH IN HAND

	31.3.22	31.3.21
£	£	
Cash at bank	320,179	86,034
Cash in hand	19,668	32,360
	<u>339,847</u>	<u>118,394</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
£	£	
VAT payable	137,240	147,076
Trade creditors	133,619	69,515
Amounts owed to group undertakings	200,943	414,050
Social security and other taxes	11,947	53,930
Other creditors	30,683	16,186
Bank loan-current portion of the term loan	155,498	150,000
Accrued expenses	78,389	4,500
	<u>748,319</u>	<u>855,257</u>

*It includes loan payable amounting to GBP 43,015 which comprises principal outstanding of GBP 40,000 and interest accrued thereon of GBP 3,015 owed to parent company Luxmi Tea Company Private Limited.

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.22	31.3.21
£	£	
Amounts owed to group undertakings	-	40,000
Bank Loan- non-current portion of the term loan	229,927	387,500
	<u>229,927</u>	<u>427,500</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	31.3.22	31.3.21
Number:	Class:		£	£
4,500,000	Ordinary	£ 1	4,500,000	4,500,000
163,600	Ordinary	£ 1	136,000	-
			<u>4,636,000</u>	<u>4,500,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

11. CALLED UP SHARE CAPITAL - continued

During the year 136,000 ordinary shares of nominal value £ 1 each were allotted and full paid for cash at par.

12. ACCUMULATED LOSSES

	Accumulated losses £
At 1 April 2021	(640,807)
Profit for the year	<u>267,219</u>
At 31 March 2022	<u>(373,588)</u>

13. AUDITOR'S INFORMATION

These financial statements have been prepared for the purpose of filing with Companies House and no statement of comprehensive income is included within this set of financial statements.

The full financial statements have been subject to audit and there were no qualifications or modifications to the audit report on the full financial statements.

The audit was undertaken by P B G Associates Limited and the Senior Statutory auditor was Mr. Satya Brata Ghosh.

14. RELATED PARTY DISCLOSURES

The following are transactions and the balance with related parties for the year and as on 31 March 2022 respectively.

Name of related party	Transactions in the Statement of Profit and Loss		Balance owed by / owed to as at Year End	
	2022	2021	2022	2021
N C HOSPITALITIES LTD (UK)				
(Amount owed to group undertakings)			(153,709)	(409,616)
Sales	7,500	67,500	-	-
LUXMI TEA COMPANY PVT LTD (INDIA)				
(Amount owed to group undertakings)	-	-	(47,234)	(44,434)
Interest expense	2,800	215	-	-
Director- Neelabha Chatterjee				
(Other Debtors within year)	-	-		45,176
Directors Remuneration (Including NI)	74,023	152,419	-	-

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

15. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Luxmi Tea Company Private Limited, a company incorporated in India. Luxmi Tea Company Private Limited heads the group of companies for which consolidated financial statements including company's position and results are prepared. These consolidated financial statements are not publicly available.

16. CONTINGENT LIABILITIES

The HMRC has levied surcharges on VAT to the company for an amount of GBP 8,600. In response to this, the company has appealed to HMRC for a waiver of the same on account of Covid-19 related grounds. The company expects that the waiver request will be accepted by the HMRC and accordingly, contingent liability has been disclosed as at the balance sheet

17. AUDITOR'S INFORMATION

These financial statements have been prepared for the purposes of filing with Companies House and no Statement of Comprehensive Income is included within this set of financial statements. The full financial statements have been subject to audit and there were no qualifications or modifications to the audit report on the full financial statements. The audit was undertaken by PBG Associates (London) Limited and the Senior Statutory Auditor was Mr. S. B. Ghosh.

18. PREVIOUS YEAR FIGURES

The previous year figures have been regrouped wherever necessary to confirm to the current year presentation.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.