

Registered number: 00804365

SANGAM LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016



**LUBBOCK FINE
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB**

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	5	92,055	60,530
Current assets			
Debtors: amounts falling due within one year	6	5,057,632	4,290,748
Cash at bank and in hand		736,799	157,226
		<u>5,794,431</u>	<u>4,447,974</u>
Creditors: amounts falling due within one year	7	(3,204,306)	(2,442,673)
Net current assets		<u>2,590,125</u>	<u>2,005,301</u>
Total assets less current liabilities		<u>2,682,180</u>	<u>2,065,831</u>
Creditors: amounts falling due after more than one year	8	(400,000)	(400,000)
Net assets		<u><u>2,282,180</u></u>	<u><u>1,665,831</u></u>
Capital and reserves			
Called up share capital	9	250,000	250,000
Profit and loss account		<u>2,032,180</u>	<u>1,415,831</u>
		<u><u>2,282,180</u></u>	<u><u>1,665,831</u></u>

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 comprehensive income 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:


U. M. Nair
 Director

Date: 26/9/2017

The notes on pages 3 to 11 form part of these financial statements.

SANGAM LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	250,000	1,464,951	1,714,951
Comprehensive income for the year			
Loss for the year	-	(49,120)	(49,120)
At 1 January 2016	250,000	1,415,831	1,665,831
Comprehensive income for the year			
Profit for the year	-	616,349	616,349
At 31 December 2016	250,000	2,032,180	2,282,180

SANGAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

Sangam Limited is a private company limited by shares incorporated in England and Wales. Its registered office and principal place of business is 13th Floor, New Zealand House, 80 Haymarket, London, SW1Y 4TE.

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 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due;
- the stage of completion at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete can be measured reliably.

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

SANGAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 20% per annum on net book value
Fixtures and fittings	- 20% per annum on cost
Computer equipment	- 33% per annum on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

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 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

SANGAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.7 Financial instruments

The Company only enters into basic financial instruments 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, loans to related parties and investments in non-puttable ordinary shares.

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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Comprehensive Income.

2.8 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.

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.14 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.

SANGAM LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2016****2. Accounting policies (continued)****2.15 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

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

The presentation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There are no key judgements and sources of estimation uncertainty.

4. Employees

The average monthly number of employees, including directors, during the year was 32 (2015 - 30).

5. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2016	30,986	336,879	44,572	412,437
Additions	-	81,205	5,209	86,414
Disposals	-	(26,731)	(49,781)	(76,512)
At 31 December 2016	30,986	391,353	-	422,339
Depreciation				
At 1 January 2016	18,996	295,311	37,600	351,907
Charge for the year on owned assets	2,402	28,019	2,957	33,378
Disposals	-	(14,444)	(40,557)	(55,001)
At 31 December 2016	21,398	308,886	-	330,284
Net book value				
At 31 December 2016	9,588	82,467	-	92,055
At 31 December 2015	11,990	41,568	6,972	60,530

SANGAM LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2016****6. Debtors**

	2016 £	2015 £
Trade debtors	4,272,389	3,469,294
Other debtors	607,834	595,159
Prepayments and accrued income	177,409	226,295
	<u>5,057,632</u>	<u>4,290,748</u>

7. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	1,954,713	304,039
Trade creditors	833,700	1,953,715
Corporation tax	136,049	19,344
Other taxation and social security	138,158	55,605
Other creditors	8,037	4,809
Accruals and deferred income	133,649	105,161
	<u>3,204,306</u>	<u>2,442,673</u>

8. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Other creditors	<u>400,000</u>	<u>400,000</u>

Included within creditors falling due after more than one year is a loan totalling £400,000 (2015 - £400,000), due to an individual with control over the entity. The loan is unsecured, interest free and repayable in 30 years from the date of the initial drawdown of the loan.

Amounts falling due after more than one year include amounts which are not wholly repayable within 5 years and are repayable other than by installments of £400,000 (2015 - £400,000).

9. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>

SANGAM LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2016**

10. Pension commitments

At the balance sheet date pension amounts of £8,038 (2015 - £4,809) remained unpaid by the company.

11. Other financial commitments

The company has future operating lease commitments of £9,750 (2015 - £432,510).

12. Transactions with directors

During the year the company advanced an amounts of £10,000 (2015 - £8,299) to S. G. Hinduja. At the balance sheet date, an amount of £6,406 (2015 - £8,299) remained payable to the company. This balance was interest free, unsecured and was repaid after the balance sheet date.

13. Contingencies

a) The company has given a guarantee up to maximum of \$2,034,806 (2015 - \$2,034,806) on behalf of a related party.

b) The company has given guarantees in respect of lease payments and related covenants under the terms of 119 year lease between a related party and the lessees, also a related party.

The aggregate amount of annual lease payments at the balance sheet date totalled £40,000 (2015-£40,000).

14. Related party transactions

During the year the company entered into transactions, in the ordinary course of business, with other related parties.

	2016 £	2015 £
Other related parties		
Revenue	529,000	168,550
Expenses recharged	941,218	933,576
Interest	33,885	5,254
Purchases	262,167	770,504
Waiver of amounts payable	818,848	-
Amounts receivable	302,865	169,295
Loans and unpaid interest receivable	591,059	492,511
Amounts payable	829,175	1,944,137

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

15. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2015. The impact of the transition to FRS 102 has been to increase creditors falling due within one year as at 31 December 2015 by £75,819 and to increase administrative expenses by the same amount for the year then ended. This transition adjustment relates to the accrual for all short-term compensated absences as holiday entitlement earned but not taken as at 31 December 2015.

16. Auditors' information

These financial statements have been prepared for the purposes of filing with Companies House and no Statement of Income and Directors' Report 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 Lubbock Fine Chartered Accountants & Statutory Auditors, and the Senior Statutory Auditor was Stephen Banks.