

Registered number: 00804365

SANGAM LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018



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

BALANCE SHEET

AS AT 31 DECEMBER 2018

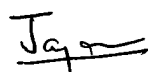
	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	45,161	61,609
Current assets			
Debtors: amounts falling due after more than one year	5	52,000	540,000
Debtors: amounts falling due within one year	5	4,288,869	3,963,563
Cash at bank and in hand	6	3,062,360	379,737
		<u>7,403,229</u>	<u>4,883,300</u>
Creditors: amounts falling due within one year	7	(5,149,932)	(2,312,492)
Net current assets		<u>2,253,297</u>	<u>2,570,808</u>
Total assets less current liabilities		<u>2,298,458</u>	<u>2,632,417</u>
Creditors: amounts falling due after more than one year	8	(400,000)	(400,000)
Net assets		<u><u>1,898,458</u></u>	<u><u>2,232,417</u></u>
Capital and reserves			
Called up share capital	9	250,000	250,000
Profit and loss account		<u>1,648,458</u>	<u>1,982,417</u>
		<u><u>1,898,458</u></u>	<u><u>2,232,417</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 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 the board and were signed on its behalf by:



J. P. Iyer
Director

Date: 30/9/2019

The notes on pages 2 to 9 form part of these financial statements.

SANGAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Sangam Limited is a private company limited by shares and 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.

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 of the contract 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 under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

SANGAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.3 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

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 Income and Retained Earnings.

2.4 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.

2.5 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 2018

2. Accounting policies (continued)

2.6 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, 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 the 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 Income and Retained Earnings.

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 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 Income and Retained Earnings.

2.9 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings 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.

SANGAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.10 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings 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.

2.11 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 Income and Retained Earnings 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.

2.12 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.13 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, 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 2018**

3. Employees

The average monthly number of employees, including directors, during the year was 32 (2017 - 34).

4. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2018	30,986	378,179	409,165
At 31 December 2018	30,986	378,179	409,165
Depreciation			
At 1 January 2018	23,316	324,240	347,556
Charge for the year on owned assets	1,534	14,914	16,448
At 31 December 2018	24,850	339,154	364,004
Net book value			
At 31 December 2018	6,136	39,025	45,161
At 31 December 2017	7,670	53,939	61,609

SANGAM LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2018****5. Debtors**

	2018	2017
	£	£
Due after more than one year		
Other debtors	52,000	540,000
	<u>52,000</u>	<u>540,000</u>
Due within one year		
Trade debtors	1,822,645	3,753,578
Other debtors	2,306,154	71,232
Prepayments and accrued income	160,070	138,753
	<u>4,288,869</u>	<u>3,963,563</u>

6. Cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	3,062,360	379,737
Less: bank overdrafts	(978,007)	(980,835)
	<u>2,084,353</u>	<u>(601,098)</u>

7. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Bank overdrafts	978,007	980,835
Trade creditors	1,745,898	917,044
Corporation tax	137,961	139,185
Other taxation and social security	459,746	109,929
Other creditors	1,617,708	28,431
Accruals and deferred income	210,612	137,068
	<u>5,149,932</u>	<u>2,312,492</u>

SANGAM LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2018**

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

	2018 £	2017 £
Other creditors	400,000	400,000

Included within creditors falling due after more than one year is a loan totalling £400,000 (2017 - £400,000), due to an individual with control over the entity. The loan is unsecured, interest free and repayable on 10 May 2040. The Company has taken advantage of the exemption available for small companies under section 1.15A of FRS 102 not to discount the loan to net present value.

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 (2017 - £400,000).

9. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
250,000 (2017 - 250,000) Ordinary shares of £1.00 each	250,000	250,000

10. Pension commitments

At the balance sheet date pension amounts of £9,769 (2017 - £18,148) remained unpaid by the company.

11. Other financial commitments

At the balance sheet date the Company had future commitments of £5,126 (2017 - £9,520).

12. Transactions with directors

During the year the company advanced amounts totalling £4,025 (2017 - £4,722) to S. G. Hinduja. At the balance sheet date, an amount of £4,025 (2017 - £4,722) 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 US\$nil (2017 - US\$2,034,806) on behalf of a related party. In the current year this guarantee was called upon and the Company had to pay US\$2,034,086 in relation to this guarantee.

b) The Company has given guarantees in respect of lease payments and related covenants under the terms of a 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 (2017 - £40,000).

SANGAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

14. Auditors' information

These financial statements have been prepared for the purposes of filing with Companies House and no Statement of Income and Retained Earnings 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 Andrew Noton.