

**Company Registration No. 00884903 (England and Wales)**

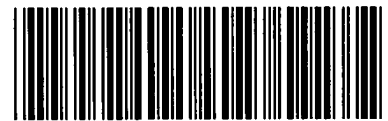
**SETHIA LONDON LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 2018**

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# **SETHIA LONDON LIMITED**

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**SETHIA LONDON LIMITED****BALANCE SHEET****AS AT 31 MARCH 2018**

		2018		2017	
	Notes	£	£	as restated £	£
<b>Fixed assets</b>					
Tangible assets	3		166,581		169,481
Investments	4		8,306,922		6,256,084
			<u>8,473,503</u>		<u>6,425,565</u>
<b>Current assets</b>					
Debtors	5	9,315,511		3,044,238	
Investments	6	39,607,702		33,095,830	
Cash at bank and in hand		2,745,597		10,694,306	
		<u>51,668,810</u>		<u>46,834,374</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(46,348,079)</u>		<u>(38,926,104)</u>	
<b>Net current assets</b>			<u>5,320,731</u>		<u>7,908,270</u>
<b>Total assets less current liabilities</b>			<u>13,794,234</u>		<u>14,333,835</u>
<b>Capital and reserves</b>					
Called up share capital	8	1,200,000		1,200,000	
Profit and loss reserves		12,594,234		13,133,835	
<b>Total equity</b>			<u>13,794,234</u>		<u>14,333,835</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 5 November 2018 and are signed on its behalf by:

  
.....  
Mr N Sethia  
Director

Company Registration No. 00884903

# SETHIA LONDON LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2018

	Share capital £	Profit and loss reserves £	Total £
<b>As restated for the period ended 31 July 2017:</b>			
<b>Balance at 1 August 2016</b>	1,200,000	11,224,880	12,424,880
<b>As restated</b>	1,200,000	11,224,880	12,424,880
<b>Year ended 31 July 2017:</b>			
Profit and total comprehensive income for the year	-	1,908,955	1,908,955
<b>Balance at 31 July 2017</b>	1,200,000	13,133,835	14,333,835
<b>Period ended 31 March 2018:</b>			
Loss and total comprehensive income for the period	-	(539,601)	(539,601)
<b>Balance at 31 March 2018</b>	1,200,000	12,594,234	13,794,234

# SETHIA LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

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### 1 Accounting policies

#### Company information

Sethia London Limited is a private company limited by shares incorporated in England and Wales. The registered office is N Sethia House, 105 St John Street, London, EC1M 4AS.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Sethia London Limited is a wholly owned subsidiary of N Sethia Group Ltd and the results of Sethia London Limited are included in the consolidated financial statements of N Sethia Group Ltd which are available from 105 St John Street, N Sethia House, London, EC1M 4AS.

#### 1.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### 1.3 Reporting period

The company has short period of accounts from 1 August 2017 to 31 March 2018, due to which the comparative amounts are not comparable in the financial statement.

The reason for the change in year end was to align with other Companies in the Group.

#### 1.4 Turnover

Turnover represents commissions, profits from trading in shares, commodities and goods, commodity futures, currencies and exporting.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% (straight line basis)
Fixtures and fittings	25% (reducing instalment basis)

# SETHIA LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

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### 1 Accounting policies

(Continued)

#### 1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Equity investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in profit or loss. Transaction costs are expensed to profit or loss as incurred.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include deposits held at call with banks.

# SETHIA LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

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### 1 Accounting policies

(Continued)

#### 1.9 Financial instruments

Basic financial instruments are recognised at amortised cost.

##### **Basic financial assets**

Basic financial assets, which include debtors, bank balances and loans to fellow group companies are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction. Financial liabilities classified as payable within one year are not amortised.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

# SETHIA LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

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### 1 Accounting policies

(Continued)

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax is provided on the liability method to take account of all timing differences between the treatment of certain assets for accounts purposes and their treatment for tax purposes.

Tax deferred or accelerated is accounted for in respect of all material timing differences.

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### 1.13 Foreign exchange

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of transaction.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 18 (2017 - 26).



# SETHIA LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

### 3 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 August 2017 and 31 March 2018	207,355	395,166	602,521
<b>Depreciation and impairment</b>			
At 1 August 2017	44,119	388,921	433,040
Depreciation charged in the period	1,859	1,041	2,900
At 31 March 2018	45,978	389,962	435,940
<b>Carrying amount</b>			
At 31 March 2018	161,377	5,204	166,581
At 31 July 2017	163,236	6,245	169,481

### 4 Fixed asset investments

	2018 £	2017 as restated £
Unlisted investments	8,306,922	6,256,084

### 5 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	7,061,914	1,361,158
Other debtors	2,253,597	1,683,080
	9,315,511	3,044,238

### 6 Current asset investments

	2018 £	2017 as restated £
Listed investments	39,607,702	33,095,830

#### Current investments revalued

At the reporting date listed investments with Barclays Bank are held at their market value, in accordance with their valuation report prepared by Barclays Bank (Suisse) SA.

# SETHIA LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

### 7 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	25,097,794	20,484,935
Trade creditors	411,173	149,621
Amounts due to group undertakings	20,176,280	17,344,322
Corporation tax	53,358	2,337
Other taxation and social security	32,334	27,646
Other creditors	577,140	917,243
	<u>46,348,079</u>	<u>38,926,104</u>

The bank loans are secured on the company's assets. Included in bank loans and overdrafts are certain fixed rate loan which expire within one year, and which have been used to fund the reversible loan note investments outlined in note 7 above.

### 8 Called up share capital

	2018 £	2017 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1,200,000 of £1 each	<u>1,200,000</u>	<u>1,200,000</u>
	<u>1,200,000</u>	<u>1,200,000</u>

### 9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Daniel Rose.

The auditor was Carter Backer Winter LLP.

### 10 Financial commitments, guarantees and contingent liabilities

During the financial period, the company entered into Deed of Covenant with N Sethia Foundation to make a donation payable of USD500,000 each year in 3 years from 15 August 2017.

# SETHIA LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

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### 11 Related party transactions

#### **N Sethia Foundation**

Under common control

Amount due from N Sethia Foundation at the balance sheet date £61,254 (2017: £603,089).

During the financial period, the company made a donation of £378,788 to N Sethia Foundation.

#### **N Sethia Investments Ltd**

Under common control

Amount due from N Sethia Investments Ltd at the balance sheet date £7,474 (2017: £13,916).

#### **Newby Tea Suisse**

Under common control

Amount due from Newby Tea Suisse at the balance sheet date £15,032 (2017: £11,663).

#### **Newby Tea (UK) Ltd**

Under common control

Amount due from Newby Tea (UK) Ltd at the balance sheet date £1,185,084 (2017: £870,385).

During the financial period, there are 15 employees total salary of £312,880 transferred to Newby Tea (UK) Ltd.

#### **Sethia Properties AS**

Under common control

Amount due from Sethia Properties AS Ltd at the balance sheet date £31,847 (2017: £Nil).

#### **Applaudiscover LDA**

Under common control

Amount due from Applaudiscover LDA at the balance sheet date £119,995 (2017: £Nil).

#### **Mastwest Investments Imobiliarios SA**

Under common control

Amount due from Mastwest Investments Imobiliarios SA at the balance sheet date £105,608 (2017: £225,603).

#### **Intracs Ltd**

Under common control

Amount due to Intracs Ltd at the balance sheet date £518,256 (2017: £326,320).

During the financial period, commission receivable from Intracs Ltd are £114,651 (2017: £49,892) and rent receivables are £16,667 (2017: £25,000). In previous financial year, dividend receivable from Intracs Ltd was £280,000.

#### **N K Sethia**

Director

Amount due to N K Sethia at the balance sheet date £15,377 (2017: £756,903).

#### **R Sethia**

Director

Amount due to R Sethia at the balance sheet date £1,657 (2017: £146,179 due from).

### 12 Control

The company's parent undertaking is N Sethia Group Limited, a UK registered company.

The accounts for the parent undertaking can be obtained from:

N Sethia Group Limited

N Sethia House, 105 St John Street, London, EC1M 4AS.

# SETHIA LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

### 13 Prior period adjustment

The company's principal activities are, and have been to, to act as commission agents, trading in commodities and goods, commodity futures, shares and securities, currencies and exporting. During the year, the directors identified that income and purchases relating to their shares and securities business were not included within operating profit in the profit and loss accounts. In addition, any interest paid and earned in respect of these dealings, together with the fair value adjustment were also not included in operating profit.

As a result of this discovery, the directors believe that a prior year adjustments is necessary to show the true substance of their activities and the transactions themselves. The transactions mentioned above have been included within turnover and cost of sales as appropriate. The listed investments, which the company trades in, have been reclassified to current asset investments from fixed asset investments.

The net effect of the prior year adjustments on reserves was nil.

#### Changes to the balance sheet

	At 31 July 2017		
	As previously reported	Adjustment	As restated
	£	£	£
<b>Fixed assets</b>			
Investments	39,351,914	(33,095,830)	6,256,084
<b>Current assets</b>			
Investments	-	33,095,830	33,095,830
Net assets	14,333,835	-	14,333,835
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Capital and reserves</b>			
Total equity	14,333,835	-	14,333,835
	<u>          </u>	<u>          </u>	<u>          </u>

#### Changes to the profit and loss account

	Period ended 31 July 2017		
	As previously reported	Adjustment	As restated
	£	£	£
Turnover	3,495,393	445,075	3,940,468
Cost of sales	(1,755,659)	(20,869)	(1,776,528)
Interest receivable and similar income	2,362,591	(445,075)	1,917,516
Interest payable and similar expenses	(76,343)	76,336	(7)
Amounts written off investments	(348,338)	(55,467)	(403,805)
Profit for the financial period	1,908,955	-	1,908,955
	<u>          </u>	<u>          </u>	<u>          </u>