

## **Lux Finance Limited**

### **Director's report and financial statements**

for the year ended 31 December 2014

Registered number: 07379942

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## Company Information

Director	M Muzzi
Registered number	07379942
Registered office	111 Buckingham Palace Road London SW1W 0SR
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

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## **Director's report**

for the year ended 31 December 2014

The director presents his report together with the Strategic report and the financial statements of Lux Finance Limited ('the company') for the year ended 31 December 2014.

### **Director's responsibilities statement**

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Results and dividends**

The profit for the year, after taxation, amounted to £77,859 (2013 - loss £42,789).

### **Directors**

The directors who served during the year were:

M Muzzi

V Pandolfi (resigned 14 June 2014)

### **Disclosure of information to auditor**

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the sole director on 29 April 2015



**M Muzzi**  
Director

## **Strategic report**

for the year ended 31 December 2014

The director presents the Strategic report of the company for the year ended 31 December 2014.

### **Principal activity**

The company's principal activity during the year was the provision of investment management services to European clients.

### **Business review**

The directors are satisfied with the results for the year and expect growth in the future.

### **Principal risks and uncertainties**

#### Foreign currency risk

The company's foreign currency exposures arise from its principal customers. The company does not consider it necessary to implement hedging strategies.

### **Key performance indicators ("KPIs")**

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for the understanding of the development, performance or position of the position.

### **Compliance with The Capital Requirements (Country-by-Country Reporting) Regulations 2013**

As the company is an investment firm under the Capital Requirements Directive IV with effect from 1 January 2014, it needs to comply with the following disclosure requirements stipulated by the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

- a. the name, nature of activities and geographical location of the LLP and any subsidiaries and branches;
- b. turnover;
- c. the average number of employees on a full time equivalent basis; and
- d. the pre-tax profit.

The above information has been included in notes 1.2, 2, 5 and the profit and loss account of these financial statements.

This report was approved by the sole director on 29 April 2015.

**M Muzzi**  
Director



## **Independent auditor's report to the member of Lux Finance Limited** for the year ended 31 December 2014

We have audited the financial statements of Lux Finance Limited for the year ended 31 December 2014, set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of director and auditor**

As explained more fully in the Director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the member of Lux Finance Limited** for the year ended 31 December 2014

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Peter Chapman (Senior statutory auditor)  
for and on behalf of  
**Buzzacott LLP**  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

29 April 2015

**Profit and loss account**  
for the year ended 31 December 2014

	Note	2014 £	2013 £
<b>Turnover</b>	1,2	<b>796,290</b>	386,269
Cost of sales		<u>(11,230)</u>	<u>(25,606)</u>
<b>Gross profit</b>		<b>785,060</b>	360,663
Administrative expenses		<b>(612,222)</b>	(403,452)
Bad debt expense		<b>(94,979)</b>	-
Total administrative expenses		<u>(707,201)</u>	<u>(403,452)</u>
<b>Operating profit/(loss)</b>	3	<u><b>77,859</b></u>	<u>(42,789)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>77,859</b>	(42,789)
Tax on profit/(loss) on ordinary activities	6	<u>-</u>	<u>-</u>
<b>Profit/(loss) for the financial year</b>	11	<u><b>77,859</b></u>	<u>(42,789)</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 8 to 13 form part of these financial statements.



**Balance sheet**  
as at 31 December 2014

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	7		566		2,476
<b>Current assets</b>					
Debtors	8	582,091		288,239	
Cash at bank and in hand		1,151		14,637	
		<u>583,242</u>		<u>302,876</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(228,529)</u>		<u>(123,023)</u>	
<b>Net current assets</b>			<u>354,713</u>		<u>179,853</u>
<b>Net assets</b>			<u>355,279</u>		<u>182,329</u>
<b>Capital and reserves</b>					
Called up share capital	10		866,441		771,350
Profit and loss account	11		<u>(511,162)</u>		<u>(589,021)</u>
<b>Shareholders' funds</b>	12		<u>355,279</u>		<u>182,329</u>

The financial statements were approved and authorised for issue by the sole director on 29 April 2015.

  
**M Muzzi**  
Director

The notes on pages 8 to 13 form part of these financial statements.

## Cash flow statement

for the year ended 31 December 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	13	(108,577)	(172,230)
Capital expenditure and financial investment	14	-	(1,153)
<b>Cash outflow before financing</b>		<b>(108,577)</b>	<b>(173,383)</b>
Financing	14	95,091	171,350
<b>Decrease in cash in the year</b>		<b>(13,486)</b>	<b>(2,033)</b>

## Reconciliation of net cash flow to movement in net funds

for the year ended 31 December 2014

	2014 £	2013 £
Decrease in cash in the year	(13,486)	(2,033)
<b>Movement in net funds in the year</b>	<b>(13,486)</b>	<b>(2,033)</b>
Net funds at 1 January 2014	14,637	16,670
<b>Net funds at 31 December 2014</b>	<b>1,151</b>	<b>14,637</b>

The notes on pages 8 to 13 form part of these financial statements.

## Notes to the financial statements

for the year ended 31 December 2014

### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

#### 1.2 Going concern

Although for the year ended 31 December 2014, the company made a profit before tax of £77,859 (2013 - loss of £42,789), it has a profit and loss account deficit amounting to £511,162 (2013 - £589,021) at the year end. The ultimate owner and sole director, M Muzzi, has confirmed that it is his current intention to support the business financially for the foreseeable future and for no less than 12 months from the date of approval of these financial statements. In addition, M Muzzi has confirmed that he does not currently intend to demand repayment of the balance due to him from the company until it is able to make payment without compromising its ability to meet its debts as they fall due. Therefore, the director considers it appropriate to prepare the financial statements on a going concern basis.

#### 1.3 Turnover

Turnover represents income derived from the company's principal activity of providing investment management and advisory services. Fees are presented net of Value Added Tax.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture and fixtures	-	25% per annum
Computer equipment	-	33% per annum

#### 1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

#### 1.6 Foreign currencies

Transactions in foreign currencies are recorded at the average rate of exchange for the month in which the transaction occurs, where there is an immaterial variance to the spot rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated using rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

#### 1.7 Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term. Any rent free period will be amortised over the non-cancellable term of the operating lease.

**Notes to the financial statements**  
for the year ended 31 December 2014

**2. Turnover**

The whole of the turnover is derived from the company's principal activity, arising within the United Kingdom.

**3. Operating loss**

The operating profit/(loss) is stated after charging/(crediting):

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	1,910	10,694
Operating lease rentals:		
- other operating leases	64,624	61,308
Difference on foreign exchange	26,647	4,170
	<u>26,647</u>	<u>4,170</u>

During the year, no director received any emoluments (2013 - £NIL).

**4. Auditor's remuneration**

	2014 £	2013 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	7,200	7,200
Fees payable to the company's auditor and its associates in respect of:		
Audit-related assurance services	1,000	1,000
Taxation compliance services	1,500	1,500
All other non-audit services not included above	29,297	37,110
	<u>29,297</u>	<u>37,110</u>

**5. Staff costs and average number of employees**

Staff costs, during the year, were as follows:

	2014 £	2013 £
Wages and salaries	239,591	171,269
Social security costs	26,477	19,392
	<u>266,068</u>	<u>190,661</u>

The average monthly number of employees of the company, during the year, was as follows:

	2014 Number	2013 Number
Professional staff	3	2
Administrative staff	2	2
	<u>5</u>	<u>4</u>

## Notes to the financial statements

for the year ended 31 December 2014

### 6. Tax on loss on ordinary activities

	2014 £	2013 £
UK corporation tax charge on profit/loss for the year	-	-

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - higher than) the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit/loss on ordinary activities before tax	77,859	(42,789)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	16,734	(9,948)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	882	15
Capital allowances for year in excess of depreciation	(227)	1,177
Utilisation of tax losses	(17,389)	-
Unrelieved tax losses carried forward	-	8,756
<b>Current tax charge for the year (see note above)</b>	-	-

#### Factors that may affect future tax charges

A deferred tax asset amounting to £100,417 (2013: £120,147) has not been recognised due to uncertainty over future profits.

### 7. Tangible fixed assets

	Furniture and fixtures £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2014 and 31 December 2014	446	33,130	33,576
<b>Depreciation</b>			
At 1 January 2014	301	30,799	31,100
Charge for the year	111	1,799	1,910
At 31 December 2014	412	32,598	33,010
<b>Net book value</b>			
At 31 December 2014	34	532	566
At 31 December 2013	145	2,331	2,476

**Notes to the financial statements**  
for the year ended 31 December 2014

**8. Debtors**

	2014 £	2013 £
Trade debtors	28,109	-
Amounts due from related party	1,230	81,125
Other debtors	13,906	18,761
Prepayments and accrued income	538,846	188,353
	<u>582,091</u>	<u>288,239</u>

**9. Creditors:  
Amounts falling due within one year**

	2014 £	2013 £
Trade creditors	106,438	73,138
Other taxation and social security	24,117	5,657
Director's loan account	40,980	-
Other creditors	13,424	17,282
Accruals and deferred income	43,570	26,946
	<u>228,529</u>	<u>123,023</u>

**10. Called up share capital**

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
866,441 (2013 - 771,350) ordinary shares of £1 each	866,441	771,350
	<u>866,441</u>	<u>771,350</u>

During the year, 95,091 (2013: 171,350) ordinary shares of £1 each were issued at par.

**11. Reserves**

	Profit and loss account £
At 1 January 2014	(589,021)
Profit for the financial year	77,859
	<u>(511,162)</u>
At 31 December 2014	<u>(511,162)</u>

**Notes to the financial statements**  
for the year ended 31 December 2014

**12. Reconciliation of movement in shareholders' funds**

	2014 £	2013 £
Opening shareholders' funds	182,329	53,768
Profit/(loss) for the financial year	77,859	(42,789)
Shares issued during the year	95,091	171,350
Closing shareholders' funds	<u>355,279</u>	<u>182,329</u>

**13. Net cash flow from operating activities**

	2014 £	2013 £
Operating profit/(loss)	77,859	(42,789)
Depreciation of tangible fixed assets	1,910	10,694
Loss on disposal of tangible fixed assets	-	706
Increase in debtors	(293,852)	(169,446)
Increase in creditors	105,506	28,605
Net cash outflow from operating activities	<u>(108,577)</u>	<u>(172,230)</u>

**14. Analysis of cash flows for headings netted in cash flow statement**

	2014 £	2013 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	-	(1,153)
<b>Financing</b>		
Issue of ordinary shares	<u>95,091</u>	<u>171,350</u>

## Notes to the financial statements

for the year ended 31 December 2014

### 15. Analysis of changes in net funds

	1 January 2014 £	Cash flow £	31 December 2014 £
Cash at bank and in hand	14,637	(13,486)	1,151
<b>Net funds</b>	<b>14,637</b>	<b>(13,486)</b>	<b>1,151</b>

### 16. Contingent liabilities

There were no contingent liabilities at 31 December 2014 or 31 December 2013.

### 17. Capital commitments

The company had no capital commitments at 31 December 2014 or 31 December 2013.

### 18. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014 £	2013 £
<b>Expiry date:</b>		
Within 1 year	-	34,580
Between 2 and 5 years	65,400	-

### 19. Related party transactions

During the year, the company bore expenses on behalf of the director amounting to £41,787 (2013 - £79,962). The director advanced working capital loans of £114,101 and made payments on the company's behalf of £52,562. At 31 December 2014, the amount due to the director was £40,980 (2013 - £76,901 due from the director).

### 20. Controlling party

In the opinion of the director, at 31 December 2014, the ultimate controlling party was M Muzzi by virtue of his 100% ultimate ownership of the share capital.