

Company No. 01855235

FIFTY EIGHT UK LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

FRIDAY



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COMPANIES HOUSE

Fifty Eight UK Limited

Company Information

Chairman	Mr. J A N Prens
Other director	Mr. J P Smith
Secretary	Mr. J P Smith
Registered office	45 Broadwick Street London W1F 9QW
Company number	01855235
Bankers	HSBC Bank Plc. Holborn Circus London EC1N 2HR
Auditors	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB

Fifty Eight UK Limited

Directors' Report

For the year ended 31 December 2017

The directors present their report and the audited financial statements for the year ended 31 December 2017.

Principal activity

The principal activity of the company is investing in a number of IT based ventures.

The directors continue to look for investment opportunities.

Results and dividends

The results for the year are shown in the Statement of Comprehensive Income on page 6.

The directors do not recommend the payment of a dividend (2016: £nil).

Future developments

The directors expect to continue with the company's principal activity for the coming year.

Directors

The directors who held office during the year are listed below.

Mr. J A N Prens

Mr. J P Smith

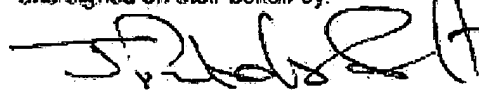
Provision of information to auditors

Each of the directors, who are directors at the time when this report is approved, confirms that:

- so far as we are aware, there is no relevant information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the small companies' regime of the Companies Act 2006.

Approved by the Board of Directors on
and signed on their behalf by:



Mr. J P Smith
Director

16 July 2018

Fifty Eight UK Limited
Statement of Directors' Responsibilities
For the year ended 31 December 2017

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

Independent Auditor's Report to the Members of Fifty Eight UK Limited

Opinion

We have audited the financial statements of Fifty Eight UK Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Material uncertainty related to going concern

We draw attention to note 2(a) in the financial statements, which indicates that the company incurred a net loss of £1,095,856 (2016: £1,184,064) during the year ended 31 December 2017 and at that date, had net current liabilities of £9,310,493 (2016: £8,214,637). As stated in note 2(a), these events or conditions, along with the other matters as set forth in note 2(a), indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of Fifty Eight UK Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

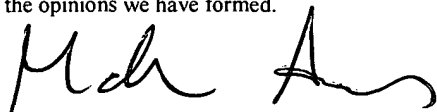
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



Mark Ayres, *Senior Statutory Auditor*

For and on behalf of Moore Stephens LLP, Statutory Auditor

150 Aldersgate Street
London
EC1A 4AB

Dated:

31 July 2018

Fifty Eight UK Limited
Statement of Comprehensive Income
For the year ended 31 December 2017

	<u>Note</u>	<u>2017</u> £	<u>2016</u> £
Turnover		-	-
Administrative expenses		(11,419)	(8,695)
Bad debt expense	7	<u>(1,169,067)</u>	<u>(1,175,369)</u>
Operating loss	3	(1,180,486)	(1,184,064)
Interest receivable		<u>84,630</u>	<u>-</u>
Loss on ordinary activities before taxation		(1,095,856)	(1,184,064)
Taxation	4	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation		<u>(1,095,856)</u>	<u>(1,184,064)</u>

The company has no items of other comprehensive income.

Fifty Eight UK Limited
Statement of Financial Position
As at 31 December 2017

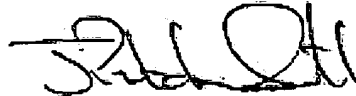
	Note	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	5		-		-
Investments	6		<u>112,882</u>		<u>112,882</u>
			112,882		112,882
Current assets					
Debtors	7	1,920		3,305	
Current liabilities					
Creditors, amounts falling due within one year	8	<u>(9,312,413)</u>		<u>(8,217,942)</u>	
Net current liabilities			<u>(9,310,493)</u>		<u>(8,214,637)</u>
Net liabilities			<u>(8,197,611)</u>		<u>(8,101,755)</u>
Capital and reserves					
Called up share capital	9		2		2
Accumulated deficit			<u>(9,197,613)</u>		<u>(8,101,757)</u>
Shareholders' deficit			<u>(9,197,611)</u>		<u>(8,101,755)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime of the Companies Act 2006, and with the provisions of FRS 102 Section 1A.

The financial statements were approved and authorised for issue by the board on 16 July 2018 and were signed on its behalf by:



Mr. J A N Prehn
Director



Mr. J P Smith
Director

Fifty Eight UK Limited

Notes to the Financial Statements

For the year ended 31 December 2017

1. General information

Fifty Eight UK Limited is a private company, limited by shares, domiciled in England and Wales, registration number 01855235. The registered office is 45 Broadwick Street, London, W1F 9QW.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with matters considered material in relation to the financial statements.

(a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard 102 Section 1A as issued by the Financial Reporting Council.

The financial statements have been prepared on the going concern basis which contemplates the realisation of assets and the settlement of liabilities in the ordinary course of business. The company incurred a net loss of £1,095,856 (2016: £1,184,064) during the year ended 31 December 2017 and as that date, the company reported shareholder's deficit of £9,197,611 (2016: £8,101,755) and net current liabilities of £9,310,493 (2016: £8,214,637). The ability of the company to continue as a going concern is dependent upon the continued support of its parent company, Bonsoir of London Limited, which is dependent upon the parent company's ability to maintain sufficient cash flow projections to meet its working capital needs. The going concern basis of the company would be materially uncertain if support from the parent company did not continue.

Bonsoir of London Limited has given a commitment to provide sufficient funds to enable the company to continue as a going concern until, at the earliest, 31 July 2019. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe it will not do so.

(b) Consolidation

The company is exempt from preparing consolidated financial statements on the grounds that, taken together with its subsidiaries, it qualifies as a small sized group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

(c) Fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and impairment. A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. An impairment loss is recognised in the profit or loss in the Statement of Comprehensive Income to the extent that the carrying amount of fixed assets exceeds their recoverable amount (the higher of net realisable value and value in use).

(d) Fixed asset investments

Investments are included at cost less provision for impairment. Impairment is measured by comparing the carrying value of the fixed asset with its recoverable amount. The recoverable amount is the higher of the amounts that can be obtained from the net realisable value or value in use. Impairment losses are recognised in the profit or loss in Statement of Comprehensive Income.

Fifty Eight UK Limited
Notes to the Financial Statements (Continued)
For the year ended 31 December 2017

2. Accounting policies (continued)

(e) Taxation

Current tax is provided for at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

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. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements. 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.

(f) Financial assets and liabilities

General

Financial instruments are recognised on the company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are measured as set out below. A financing transaction is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Classification

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 and 12 of FRS 102.

Subsequent measurement

At the end of each reporting period, debt instruments classified as basic are measured at amortised cost using the effective interest rate method.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

(g) Critical accounting estimates and judgements

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Fifty Eight UK Limited
Notes to the Financial Statements (Continued)
For the year ended 31 December 2017

2. Accounting policies (continued)

(g) Critical accounting estimates and judgements (continued)

Critical judgements

The following judgements have the most significant effect on the amount recognised in the financial statements:

Allowance for credit losses

The Company reviews its individual significant debtors at each reporting date to assess whether an allowance should be made for the recoverability. In determining this allowance, judgement by management is required in the estimation of the amount and timing of future cash flows.

3. Operating loss

	<u>2017</u> £	<u>2016</u> £
Operating loss is stated after charging :		
Directors remuneration	-	-
Auditor's remuneration - audit fees	5,000	7,250
Auditor's remuneration – non audit fees	<u>2,400</u>	<u>2,250</u>

4. Taxation

	<u>2017</u> £	<u>2016</u> £
(a) Current tax charge	<u>-</u>	<u>-</u>

(b) Deferred taxation

The company has unprovided trading losses carried forward of £88,281 (2016: £88,281) available for utilisation against future trading profits. No deferred tax asset has been recognised in respect of these amounts as recoverability is dependent upon there being sufficient future taxable trading profits against which they may be offset.

5. Tangible assets

	Website development <u>costs</u> £
Cost	
At 1 January 2017 and 31 December 2017	<u>170,228</u>
Accumulated depreciation and impairment	
At 1 January 2017 and 31 December 2017	<u>170,228</u>
Net book value	
At 1 January 2017 and 31 December 2017	<u>-</u>

Fifty Eight UK Limited
Notes to the Financial Statements (Continued)
For the year ended 31 December 2017

6. Investments

	Shares in unlisted investments £
Cost	
At 1 January 2017	112,882
Addition	<u>-</u>
At 31 December 2017	<u><u>112,882</u></u>

The company holds the following unlisted investments;

<u>Entity</u>	<u>Country of Incorporation</u>	<u>Percentage Ownership</u>	<u>Cost £</u>
Inbay Limited	England and Wales	80%	5,201
Ownaracehorse Limited	England and Wales	45%	107,030
Eland Property Investments LLP	England and Wales	6.5%	651

7. Debtors

	2017 £	2016 £
Loan to subsidiary undertaking	-	-
Other debtors	<u>1,920</u>	<u>3,305</u>
	<u><u>1,920</u></u>	<u><u>3,305</u></u>

A revolving loan facility has been provided to the subsidiary undertaking Inbay Limited. At 31 December 2017 the balance of the loan facility was £9,987,910 (2016: £8,547,499), which has been written down to £nil on the basis of non-recoverability. A bad debt expense of £1,169,067 (2016: £1,175,369) has been recognised in the year. The company holds a debenture over the assets of Inbay Limited as security, however the company has net liabilities at 31 December 2017.

Interest is accruing at 2.5% per annum above base rate on the above facility. Interest of £271,344 (2016: £292,707) has been charged in 2017, but not recognised in the year ended 31 December 2017 as collection of payment is not reasonably assured.

Fifty Eight UK Limited
Notes to the Financial Statements (Continued)
For the year ended 31 December 2017

8. Creditors: amounts falling due within one year

	<u>2017</u>	<u>2016</u>
	£	£
Bank overdraft	9,294,698	8,208,442
Trade creditors	8,215	-
Accruals	<u>9,500</u>	<u>9,500</u>
	<u>9,312,413</u>	<u>8,217,942</u>

The bank overdraft is secured by a fixed and floating charge over the assets of the company and a guarantee from the parent company.

9. Called up share capital

	<u>2017</u>	<u>2016</u>
	£	£
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

10. Guarantees and other financial commitments

The company's immediate parent undertaking, Bonsoir of London Limited has provided a guarantee to the company's bankers in regards to a bank overdraft of £9,294,698 as at 31 December 2017.

The company has given a guarantee to Inbay Limited ensuring that they will be able to continue as a going concern until, at the earliest, 31 July 2019.

11. Ultimate controlling party

The immediate parent undertaking is Bonsoir of London Limited, a company incorporated in the United Kingdom.

The company's ultimate parent undertaking is Maytrees Limited, a company incorporated in the Channel Islands.

The company's ultimate controlling party is Mr J.A.N. Prenn.

12. Related party transactions

During the year ended 31 December 2017, the company charged interest of £271,344 to Inbay Limited (2016: £292,707).