

BLACK AND BLUE (B) LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2017



BLACK AND BLUE (B) LIMITED
REGISTERED NUMBER:06549194

BALANCE SHEET
AS AT 31 OCTOBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	-	574,256
Current assets			
Stocks	5	-	13,033
Debtors: amounts falling due within one year	6	359	74,962
Cash at bank and in hand	7	20,980	1,300
		<u>21,339</u>	<u>89,295</u>
Creditors: amounts falling due within one year	8	<u>(22,274)</u>	<u>(2,952,648)</u>
Net current liabilities		<u>(935)</u>	<u>(2,863,353)</u>
Total assets less current liabilities		<u>(935)</u>	<u>(2,289,097)</u>
Provisions for liabilities			
Deferred tax		-	(65,091)
Net liabilities		<u>(935)</u>	<u>(2,354,188)</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>(1,035)</u>	<u>(2,354,288)</u>
		<u>(935)</u>	<u>(2,354,188)</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 on **30 JUL 2018**


J Gay
 Director

The notes on pages 2 to 7 form part of these financial statements.

BLACK AND BLUE (B) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

1. General information

The principal activity of the company continued to be that of restaurateurs.

The company is a private company limited by shares and registered in England & Wales. Its registered office is 5th Floor, 89 New Bond Street, London, W1S 1DA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company's functional and presentational currency is pound sterling.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. Due to the financial position of the company, the validity of this basis is conditional on the continued support of two of the company's directors and shareholders.

As a result of the company selling its sole restaurant during April 2017, the company no longer holds an income generating asset. The company made a profit before taxation for the year ended 31 October 2017 of £2,288,162 (2016 - £251,686 loss) and reports a net liability position at the year end of £935 (2016 - £2,354,188). The directors are assessing the viability of continuing to trade from a different venue.

The directors of the company have received assurances from two directors and shareholders of the Black and Blue (A) Limited that they will continue to support the company to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of their support.

2.3 Revenue

Turnover comprises revenue recognised by the company from the sale of food and beverages during the period, exclusive of Value Added Tax and trade discounts.

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.

BLACK AND BLUE (B) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis.

Depreciation is provided on the following basis:

S/term leasehold property	- Over the lease term
Other fixed assets	- 25% reducing balance basis

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 Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 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.

2.8 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors.

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.

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.

2.9 Creditors

Short term creditors are measured at the transaction price.

2.10 Operating leases

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

BLACK AND BLUE (B) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

2. Accounting policies (continued)

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 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.

2.12 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.13 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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. Employees

The average monthly number of employees, including directors, during the year was 12 (2016 - 16).

BLACK AND BLUE (B) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

4. Tangible fixed assets

	S/term leasehold property £	Other fixed assets £	Total £
Cost			
At 1 November 2016	1,002,060	406,319	1,408,379
Disposals	(1,002,060)	(406,319)	(1,408,379)
At 31 October 2017	-	-	-
At 1 November 2016	510,185	323,938	834,123
Charge for the year	33,402	10,541	43,943
Disposals	(543,587)	(334,479)	(878,066)
At 31 October 2017	-	-	-
Net book value			
At 31 October 2017	-	-	-
At 31 October 2016	491,875	82,381	574,256

5. Stocks

	2017 £	2016 £
Food stock	-	4,407
Drink and consumables stock	-	8,626
	-	13,033

6. Debtors

	2017 £	2016 £
Trade debtors	-	15,877
Other debtors	11	59,085
Prepayments and accrued income	348	-
	359	74,962

BLACK AND BLUE (B) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	20,980	1,300
Less: bank overdrafts	-	(190,088)
	<u>20,980</u>	<u>(188,788)</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	-	190,088
Trade creditors	1,027	47,695
Amounts owed to group undertakings	-	2,634,864
Other taxation and social security	-	29,208
Other creditors	-	13,034
Accruals and deferred income	21,247	37,759
	<u>22,274</u>	<u>2,952,648</u>

The bank overdraft of £NIL (2016 - £190,088) is secured by way of a fixed and floating charge over all present and future assets of the company.

9. Contingent liabilities

The company has given the group's bankers a cross guarantee and debenture dated 18 May 2017 over a facility provided to Black and Blue (A) Limited, which exists across the following entities:

Black and Blue (A) Limited
Black and Blue (C) Limited
Black and Blue (D) Limited
Black and Blue Waterloo Limited
The Archduke Restaurant LLP

Any liability arising from the cross guarantee and the debenture is secured by a first debenture from each of the entities above over all of their assets.

The amount due under this facility at the balance sheet date was £1,878,056 (2016 - £NIL).

10. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions paid by the company to the fund and amounted to £1,449 (2016 - £394). Contributions totalling £NIL (2016 - £NIL) were payable to the fund at the balance sheet date.

BLACK AND BLUE (B) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

11. Commitments under operating leases

At 31 October 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	-	215,000
Later than 1 year and not later than 5 years	-	925,000
Later than 5 years	-	440,000
	<u>-</u>	<u>1,580,000</u>

During the year, the restaurant site was sold (see note), and therefore, since 24 April 2017, Black and Blue (B) Limited no longer has any operating lease commitments.

12. Related party transactions

No disclosure has been made of transactions with other wholly owned group companies in accordance with FRS 102 Section 1A paragraph 1AC.35.

13. Controlling party

Black and Blue (A) Limited is the parent of the smallest group for which consolidated financial statements are drawn up, of which the entity is a member. Its registered office is 5th Floor, 89 New Bond Street, London, W1S 1DA.

14. Auditors' information

The audit report provided to the directors of Black and Blue (B) Limited on the financial statements for the year ended 31 October 2017 was not qualified.

The audit report was signed by Richard Gilbert (Senior Statutory Auditor) for and on behalf of SRLV Audit Limited, Chartered Accountants and Statutory Auditor.