

Company registration number 06774886 (England and Wales)

**BLACK AND BLUE (C) LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2021**  
**PAGES FOR FILING WITH REGISTRAR**

# **BLACK AND BLUE (C) LIMITED**

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# BLACK AND BLUE (C) LIMITED

## BALANCE SHEET

AS AT 31 OCTOBER 2021

|   | Notes | 2021<br>£          | £                | 2020<br>£          | £                |
|---|-------|--------------------|------------------|--------------------|------------------|
| <b>Fixed assets</b>                                   |       |                    |                  |                    |                  |
| Intangible assets                                     | 4     | 210,632            |                  | 238,716            |                  |
| Tangible assets                                       | 5     | 649,381            |                  | 813,012            |                  |
|   |       | <u>860,013</u>     |                  | <u>1,051,728</u>   |                  |
| <b>Current assets</b>                                 |       |                    |                  |                    |                  |
| Stocks  |       | 24,405             |                  | 23,663             |                  |
| Debtors   | 6     | 1,361,870          |                  | 1,417,996          |                  |
| Cash at bank and in hand                              |       | 202,790            |                  | 87,123             |                  |
|   |       | <u>1,589,065</u>   |                  | <u>1,528,782</u>   |                  |
| <b>Creditors: amounts falling due within one year</b> | 7     | <u>(1,002,915)</u> |                  | <u>(1,075,018)</u> |                  |
| <b>Net current assets</b>                             |       |                    | 586,150          |                    | 453,764          |
| <b>Total assets less current liabilities</b>          |       |                    | <u>1,446,163</u> |                    | <u>1,505,492</u> |
| <b>Provisions for liabilities</b>                     |       |                    | (3,931)          |                    | (12,396)         |
| <b>Net assets</b>                                     |       |                    | <u>1,442,232</u> |                    | <u>1,493,096</u> |
| <b>Capital and reserves</b>                           |       |                    |                  |                    |                  |
| Called up share capital                               |       |                    | 100              |                    | 100              |
| Profit and loss reserves                              |       |                    | 1,442,132        |                    | 1,492,996        |
| <b>Total equity</b>                                   |       |                    | <u>1,442,232</u> |                    | <u>1,493,096</u> |

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

For the financial year ended 31 October 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

## **BLACK AND BLUE (C) LIMITED**

### **BALANCE SHEET (CONTINUED)**

***AS AT 31 OCTOBER 2021***

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The financial statements were approved by the board of directors and authorised for issue on 29 July 2022 and are signed on its behalf by:

Ms J Gay  
**Director**

**Company Registration No. 06774886**

# BLACK AND BLUE (C) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2021

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### 1 Accounting policies

#### Company information

Black and Blue (C) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 29 Avenue Road, Bexleyheath, DA7 4EP.

#### 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.

#### 1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, the directors are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern.

The government restrictions related to Covid-19 have led to reduced turnover in the current year as the restaurants were forced to close. There remained uncertainty around future restrictions at the balance sheet date. The company is reliant upon the support of other group companies, the ultimate shareholder and its bankers to continue trading in the short-term. These financial statements do not include any adjustments that would result from the withdrawal of their support.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the sale of food and drink provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

#### 1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

#### 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:

|                              |                            |
|------------------------------|----------------------------|
| Leasehold land and buildings | Over the term of the lease |
| Plant and equipment          | 25% reducing balance       |
| Fixtures and fittings        | 25% reducing balance       |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# BLACK AND BLUE (C) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

### 1 Accounting policies

(Continued)

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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).

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 is estimated to be less than its carrying amount, the carrying amount of the asset 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 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 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.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and makes allowance for obsolete and slow-moving stocks.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets, which include debtors and cash and bank balances, 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.

##### **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.

# BLACK AND BLUE (C) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.11 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 liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense,

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.

#### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.14 Leases**

# BLACK AND BLUE (C) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

### 1 Accounting policies

(Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease.

#### 1.15 Government grants

Government grants comprise of Covid-19 related grants linked to the forced closure of the business and claims under the Corona Virus Job Retention Scheme.

The grants received for periods of closure or from industry support funds are recognised at the point of receipt.

Any claims under the Corona Virus Job Retention Scheme have been recognised at the point of eligibility to make a claim, the grant income is therefore reflected in the same period as the corresponding wage cost.

#### 1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

|       | 2021<br>Number | 2020<br>Number |
|-------|----------------|----------------|
| Total | 26             | 50             |
|       | ==             | ==             |



# BLACK AND BLUE (C) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

### 4 Intangible fixed assets

|  | Goodwill<br>£ |
|--|---------------|
| <b>Cost</b>                            |               |
| At 1 November 2020 and 31 October 2021 | 736,000       |
| <b>Amortisation and impairment</b>     |               |
| At 1 November 2020                     | 497,284       |
| Amortisation charged for the year      | 28,084        |
| At 31 October 2021                     | 525,368       |
| <b>Carrying amount</b>                 |               |
| At 31 October 2021                     | 210,632       |
| At 31 October 2020                     | 238,716       |

### 5 Tangible fixed assets

|                                    | Land and<br>buildings<br>£ | Plant and<br>machinery etc<br>£ | Total<br>£ |
|------------------------------------|----------------------------|---------------------------------|------------|
| <b>Cost</b>                        |                            |                                 |            |
| At 1 November 2020                 | 2,018,386                  | 525,422                         | 2,543,808  |
| Additions                          | -                          | 7,311                           | 7,311      |
| At 31 October 2021                 | 2,018,386                  | 532,733                         | 2,551,119  |
| <b>Depreciation and impairment</b> |                            |                                 |            |
| At 1 November 2020                 | 1,353,271                  | 377,525                         | 1,730,796  |
| Depreciation charged in the year   | 133,023                    | 37,919                          | 170,942    |
| At 31 October 2021                 | 1,486,294                  | 415,444                         | 1,901,738  |
| <b>Carrying amount</b>             |                            |                                 |            |
| At 31 October 2021                 | 532,092                    | 117,289                         | 649,381    |
| At 31 October 2020                 | 665,115                    | 147,897                         | 813,012    |

The directors have assessed the value in use of the intangible and tangible assets based on their best estimate of future income. These estimates assume that the restaurants are not forced to close because of additional future government restrictions for significant periods of time.

This calculation shows an impairment adjustment is not necessary.

# BLACK AND BLUE (C) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

### 6 Debtors

|                                      | 2021             | 2020             |
|--------------------------------------|------------------|------------------|
|                                      | £                | £                |
| Amounts falling due within one year: |                  |                  |
| Trade debtors                        | 55,936           | 57,965           |
| Corporation tax recoverable          | 64,837           | 94,031           |
| Amounts owed by group undertakings   | 884,109          | 1,020,320        |
| Other debtors                        | 356,988          | 245,680          |
|                                      | <u>1,361,870</u> | <u>1,417,996</u> |

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

|                              | 2021             | 2020             |
|------------------------------|------------------|------------------|
|                              | £                | £                |
| Trade creditors              | 158,930          | 380,965          |
| Taxation and social security | 375,457          | 175,341          |
| Other creditors              | 468,528          | 518,712          |
|                              | <u>1,002,915</u> | <u>1,075,018</u> |

### 8 Financial commitments, guarantees and contingent liabilities

The company has given the group's bankers a cross guarantee and debenture dated 10 February 2021 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 (E) Limited  
Black and Blue Waterloo Limited  
The Archduke Restaurant LLP

Any liability arising from the cross guarantee and the debenture is secured by way of a fixed and floating charge over the assets of each of the above companies over all of their assets, including a first charge over the leasehold interests.

The amount due under this facility at the balance sheet date was £2,350,000.

### 9 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

| 2021           | 2020           |
|----------------|----------------|
| £              | £              |
| <u>527,083</u> | <u>642,083</u> |

### 10 Related party transactions

## **BLACK AND BLUE (C) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 OCTOBER 2021***

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#### **10 Related party transactions**

**(Continued)**

At the balance sheet date, the company owed £100,477 to Black and Blue Waterloo Limited (2020 £63,952), a company under common control. This loan is interest free and repayable on demand.

At the balance sheet date, the company was owed £54,487 from Tootsies Restaurant Limited (2020 £Nil), a company under common control. This loan is interest free and repayable on demand.

At the balance sheet date, the company was owed £219,554 (2020 £131,479) by The Archduke Restaurant LLP, a limited partnership controlled by a fellow subsidiary. This loan is interest free and repayable on demand.

At the balance sheet date, the company was owed £664,555 (2020 £888,841) by Black and Blue (A) Limited, its parent company. This loan is interest free and repayable on demand.

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