

North John Street Op Co Limited

Directors' Report and Unaudited Financial Statements

Financial Statements

Year Ended

5 April 2021

Company Number 08293802



North John Street Op Co Limited

Company Information

Directors	D M Reid T G Brown
Company secretary	SJ Cruickshank
Registered number	08293802
Registered office	15 Golden Square London W1F 9JG
Accountant	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD
Banker	HSBC Bank Plc Liverpool Commercial Centre Liverpool L2 4SW

North John Street Op Co Limited

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North John Street Op Co Limited

Directors' Report For the Year Ended 5 April 2021

The directors present their report together with financial statements for North John Street Op Co Limited ("the Company") for the year ended 5 April 2021.

Principal activity

The principal activity of the Company is to operate a hotel located at 1-9 North John Street, Liverpool ("the Hotel").

Directors

The directors who served during the year were:

D M Reid
T G Brown

Going concern

The Hotel which is operated by North John Street Op Co Limited was sold on 3 December 2021 and the entity is no longer trading. Once all debts are settled, the directors will consider the future of the company.

Post balance sheet events

The Hotel which is operated by North John Street Op Co Limited was sold on 3 December 2021 and the entity is no longer trading.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



T G Brown
Director

Date: 1 June 2022

North John Street Op Co Limited

Directors' Responsibilities Statement For the Year Ended 5 April 2021

The directors are responsible for preparing the directors' report and the financial statements for North John Street Op Co Limited ("the Company") in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for North John Street Op Co Limited ("the Company") 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). 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 for the Company, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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.

North John Street Op Co Limited

Chartered Accountant's Report to the Board of Directors on the Preparation of the Unaudited Financial Statements of North John Street Op Co Limited For the Year Ended 5 April 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of North John Street Op Co Limited for the year ended 5 April 2021 which comprise the statement of income and retained earnings, the balance sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation/a-z>.

It is your duty to ensure that North John Street Op Co Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of North John Street Op Co Limited. You consider that North John Street Op Co Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of North John Street Op Co Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Use of our report

This report is made solely to the directors of North John Street Op Co Limited, in accordance with the terms of our engagement letter dated 22/10/2021. Our work has been undertaken solely to prepare for your approval the financial statements of North John Street Op Co Limited and state those matters that we have agreed to state to the directors of North John Street Op Co Limited, in this report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than North John Street Op Co Limited and its directors, for our work or for this report.

DocuSigned by:

BDO LLP

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BDO LLP
Chartered Accountant
Edinburgh
United Kingdom

07 June 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

North John Street Op Co Limited

Statement of Income and Retained Earnings For the Year Ended 5 April 2021

	Note	2021 £	2020 £
Turnover		472,950	3,610,365
Cost of sales		(940,082)	(2,261,718)
Gross (loss)/profit		(467,132)	1,348,647
Administrative expenses		(470,826)	(1,704,812)
Operating loss	4	(937,958)	(356,165)
Interest receivable and similar income		-	94
Interest payable and similar charges		-	(26,884)
Loss before tax		(937,958)	(382,955)
Tax on loss	6	-	-
Loss after tax		(937,958)	(382,955)
Retained earnings at the beginning of the year		(2,387,376)	(2,004,421)
Loss for the year		(937,958)	(382,955)
Retained earnings at the end of the year		(3,325,334)	(2,387,376)

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of income and retained earnings.

The notes on pages 6 to 13 form part of these financial statements.

North John Street Op Co Limited
Registered number: 08293802

Balance Sheet
As at 5 April 2021

	Note	2021 £	2021 £	2020 £	2020 £
Current assets					
Stocks	7	3,723		14,451	
Debtors: amounts falling due within one year	8	117,452		98,861	
Cash at bank and in hand		19,902		230,922	
		<u>141,077</u>		<u>344,234</u>	
Creditors: amounts falling due within one year	9	(2,763,365)		(2,028,564)	
Net current liabilities			(2,622,288)		(1,684,330)
Creditors: amounts falling due after more than one year	10		(702,946)		(702,946)
Net liabilities			<u>(3,325,234)</u>		<u>(2,387,276)</u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		(3,325,334)		(2,387,376)
Total equity			<u>(3,325,234)</u>		<u>(2,387,276)</u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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 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 were approved and authorised for issue by the board and were signed on its behalf on:



T G Brown
Director

1 June 2022

The notes on pages 6 to 13 form part of these financial statements.

North John Street Op Co Limited

Notes to the Financial Statements For the Year Ended 5 April 2021

1. General information

North John Street Op Co Limited is a private Company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the Company's operations and its principal activities are set out in the directors' report on page 1.

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 Financial Reporting Standard 102 Section 1A Small Entities, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The functional and presentational currency of the Company is pound sterling. The financial statements are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

The Hotel which is operated by North John Street Op Co Limited was sold on 3 December 2021 and the entity is no longer trading. Once all debts are settled, the directors will consider the future of the company.

2.3 Revenue

Turnover from the sale of goods is (primarily room and bar sales and other activities associated with the running of a hotel) recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the statement of income and retained earnings on a straight line basis over the lease term.

North John Street Op Co Limited

Notes to the Financial Statements For the Year Ended 5 April 2021

2. Accounting policies (continued)

2.5 Finance costs

Finance costs are charged to the statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in the statement of income and retained earnings in the year in which they are incurred.

2.7 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 income and retained earnings 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.

2.8 Stock

Stock are stated at the lower of cost and net realisable value. Cost includes the cost to purchase the raw materials and is on a first in, first out basis. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

2.9 Debtors

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

2.10 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

North John Street Op Co Limited

Notes to the Financial Statements For the Year Ended 5 April 2021

2. Accounting policies (continued)

2.12 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, 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 income and retained earnings.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Taxation

Tax is recognised in the statement of income and retained earnings, 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/(credit) is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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 except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

North John Street Op Co Limited

Notes to the Financial Statements For the Year Ended 5 April 2021

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements in applying the accounting policies

The following are the critical judgements that the directors have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Impairment of current assets

Assets, including stock and debtors, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of income and retained earnings as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated residual value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

4. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Operating lease rentals	591,625	705,059
Audit fee	-	6,500
Taxation compliance services	1,600	1,450
Defined contribution pension cost	14,549	18,369

5. Employees

The average monthly number of employees, including directors, during the year was 39 (2020 - 48).

North John Street Op Co Limited

Notes to the Financial Statements For the Year Ended 5 April 2021

6. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	-	-
Taxation on profit on ordinary activities	-	-

Factors that may affect future tax charges

The Company has a potential deferred tax asset of £615,499 (2020 - £434,725) relating to accumulated losses. In line with accounting standards, this amount is unrecognised due to uncertainty over timing of future taxable profits.

7. Stock

	2021 £	2020 £
Finished goods and goods for resale	3,723	14,451

8. Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	19,095	28,727
Other debtors	44,055	5,586
Prepayments and accrued income	54,302	64,548
	117,452	98,861

The impairment gain recognised in profit or loss for the year in respect of bad and doubtful trade debtors was £1,942 (2020 loss £2,189).

North John Street Op Co Limited

Notes to the Financial Statements For the Year Ended 5 April 2021

9. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	190,000	-
Trade creditors	108,360	197,475
Amounts owed to group undertakings	2,137,734	1,438,818
Other taxation and social security	4,969	65,687
Other creditors	5,939	42,990
Accruals and deferred income	316,363	283,594
	<u>2,763,365</u>	<u>2,028,564</u>

10. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other loans	<u>702,946</u>	<u>702,946</u>

11. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Other loans	<u>702,946</u>	<u>702,946</u>

Other loans

Loans were made available to the Company by the developer, Ashall Projects (NJS) Limited, subject to the terms of a loan agreement dated 5 April 2013.

The loans were used for repayment on the earlier of (i) 8 April 2022 or (ii) sale of the hotel. As detailed in note 19, the hotel was sold in December 2021 however the other loans have not yet been repaid.

Interest on the loan is charged at 4% above LIBOR. Interest is accrued on the loan balance and is repayable on repayment of the loan.

12. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

North John Street Op Co Limited

Notes to the Financial Statements For the Year Ended 5 April 2021

12. Share capital (continued)

Each ordinary share is prescribed equal voting and dividend rights.

13. Reserves

The Company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents the accumulated profits and losses on the activities of the Company.

14. Contingent liabilities

The bank loan recognised in North John Street LLP is secured by fixed and floating charges over the assets of North John Street LLP and the Company. The Company has granted a cross guarantee to secure these banking facilities and has a contingent liability at the balance sheet date amounting to £4,084,500 (2020 - £4,084,500).

As detailed in note 19, the hotel was sold on 3 December 2021. The bank loans were repaid in full from the proceeds of the sale.

15. Pension commitments

At the balance sheet date the Company had £2,190 (2020 - £5,040) contributions outstanding in relation to the defined contribution pension plans of the employees.

16. Commitments under operating leases

At 5 April 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than one year	500,000	500,000
Later than one year and not later than five years	2,000,000	2,000,000
Later than five years	1,000,000	1,500,000
	<u>3,500,000</u>	<u>4,000,000</u>

As detailed in note 19, the hotel was sold on 3 December 2021, terminating the lease agreement.

North John Street Op Co Limited

Notes to the Financial Statements For the Year Ended 5 April 2021

17. Related party transactions

The Company has taken the exemption available under FRS 102 not to disclose transactions entered into between the Company and members of the wholly owned group headed by North John Street LLP.

18. Controlling party

The Company is wholly owned by North John Street LLP ("the Partnership") which retains 100% of the voting rights. The Partnership is under the control of its members. The registered office of the Partnership is 15 Golden Square, London, W1F 9JG and consolidated financial statements of the Partnership are available from Companies House.

19. Post balance sheet events

The Hotel which is operated by North John Street Op Co Limited was sold on 3 December 2021 and the entity is no longer trading.