

Financial Statements for the Period 29 May 2017 to 27 May 2018

for

Challenger House Ltd



Challenger House Ltd

**Contents of the Financial Statements
for the Period 29 May 2017 to 27 May 2018**

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

Challenger House Ltd

Company Information
for the Period 29 May 2017 to 27 May 2018

DIRECTORS:

D Maclaren of Maclaren
A Babanina (appointed 8 Jan 2019)
Z Zenina (resigned 7 Jan 2019)

REGISTERED OFFICE:

17 Queensberry Mews West
London
SW7 2DY

REGISTERED NUMBER:

08548009 (England and Wales)

AUDITORS:

CapShire (UK) LLP
86-90 Paul Street
London EC2A 4NE

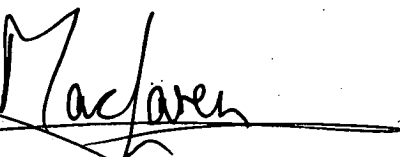
Balance Sheet
As at 27 May 2018

	Notes	27.5.18 £	28.5.17 £
FIXED ASSETS			
Tangible assets	4	2,780,952	2,986,782
CURRENT ASSETS			
Debtors	5	300,760	327,820
Cash at bank		<u>5,118</u>	<u>2,246</u>
		305,878	330,066
CREDITORS			
Amounts falling due within one year	6	<u>8,588,074</u>	<u>7,020,001</u>
NET CURRENT LIABILITIES		<u>(8,282,196)</u>	<u>(6,689,935)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(5,501,244)</u>	<u>(3,703,153)</u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Retained earnings		<u>(5,501,344)</u>	<u>(3,703,253)</u>
SHAREHOLDERS' FUNDS		<u>(5,501,244)</u>	<u>(3,703,153)</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 03-05-19 and were signed on its behalf by:



D Maclaren of Maclaren - Director

1. STATUTORY INFORMATION

Challenger House Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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 pound.

Going concern

These financial statements have been prepared on the going concern basis despite the company incurring net losses of £1,798,091 during the period and the balance sheet reflecting net liabilities of £5,501,244 at the period end.

This is the company's third full year of trading and the directors expect revenue to grow as the business and brand becomes more established. The company is a member of a group and the initial investment and ongoing funding have been made through loans from the former parent company, Serfuerte Holding Limited and current parent company, Tabikoce Holdings Limited.

The directors have prepared forecasts, which show a reduced level of operating losses as the business continues to grow its revenue. The directors have received confirmation from the parent company that it will continue to provide the required financial support to enable the company to continue to trade and meet its liabilities for at least a period of 12 months from the signing of these financial statements. Since the period end, the parent company has provided cash flow support as necessary on this basis. Therefore, the directors believe it is appropriate to prepare the financial statements on the going concern basis.

Reporting period

The company has an accounting reference date of 30 May.

The financial statements has been presented to the nearest Sunday to the accounting reference day for approximately 53 weeks to the period 27 May 2018. The previous year financial statements were prepared for 53 weeks for the period ended 28 May 2017.

2. ACCOUNTING POLICIES - continued

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 improvement 5% straight line

Plant and machinery 25% reducing balance

Fixtures, fittings & equipment 25% reducing balance

Computer equipment 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.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the Financial Statements - continued
for the Period 29 May 2017 to 27 May 2018

2. ACCOUNTING POLICIES - continued

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.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

- 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 unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. 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.

- Basic financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the period was 38 (2017 - 41).

Notes to the Financial Statements - continued
for the Period 29 May 2017 to 27 May 2018

4. TANGIBLE FIXED ASSETS

	Total Assets £
COST	
At 29 May 2017 and 27 May 2018	<u>3,361,703</u>
DEPRECIATION	
At 29 May 2017	374,921
Charge for period	<u>205,830</u>
At 27 May 2018	<u>580,751</u>
NET BOOK VALUE	
At 27 May 2018	<u>2,780,952</u>
At 28 May 2017	<u>2,986,782</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	27.5.18 £	28.5.17 £
Trade debtors	24,255	44,041
Amounts owed by group undertakings	126,031	149,659
Other debtors	<u>150,474</u>	<u>134,120</u>
	<u>300,760</u>	<u>327,820</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	27.5.18 £	28.5.17 £
Trade creditors	266,621	242,772
Amounts owed to group undertakings	8,087,046	6,510,466
Taxation and social security	43,444	20,043
Other creditors	<u>190,943</u>	<u>246,720</u>
	<u>8,588,074</u>	<u>7,020,001</u>

On 19 July 2014 a mortgage charge was registered by Societe Generale Private Banking Monaco which is secured over the property located at 17 Queensberry Mews West, Kensington SW7 3ND.

On 14 August 2017 a fixed and floating charge was registered by Tabikoce Holdings Limited which is secured over all the property located at 17 Queensberry Mews West, Kensington SW7 2DY and all assets and undertaking of the company.

7. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Auditors' Report of the financial statements was unqualified.

Included within the audit report was the following disclosure.

Emphasis of matter - Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £1,798,091 during the period ended 27 May 2018 and, at that date, the company's liabilities exceeded its total assets by £5,501,244. The company's parent company has confirmed to the directors that it will provide continued financial support to the company for period of at least 12 months from the signing of these financial statements. The parent company is financially supported by its ultimate majority shareholder.

While we have no reason to doubt the ability of the ultimate majority shareholder to provide this financial support, we have been unable to confirm directly their ability to provide this support.

These conditions, together with the other matters referred to in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the company to continue as a going concern. The financial statements do not include adjustments that would arise if the company was unable to continue as a going concern.

The audit report was signed on 03-05-19 by Noor Choudhary (Senior Statutory Auditor) on behalf of Capshire UK LLP.

8. RELATED PARTY DISCLOSURES

Tabikoce Holdings Limited has a 100% interest in the following companies:

Harrington Cafe Limited
South Kensington Club Limited
Fortevita Limited
Iddu Limited

Challenger House Limited, together with its fellow subsidiaries and former parent company Serfuerte Holding Limited, have given a composite guarantee and debenture dated 14 August 2017 in respect of amounts owed to Tabikoce Holdings Limited.

The company has taken advantage of the exemption available under FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertakings of the group.

9. ULTIMATE CONTROLLING PARTY

The company is a 100% subsidiary of Tabikoce Holdings Limited, a company registered in Cyprus. There is no ultimate controlling party.