

Company Registration No. 09823895 (England and Wales)

**BLOK LONDON LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**  
**PAGES FOR FILING WITH REGISTRAR**

# **BLOK LONDON LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Balance sheet	1
Statement of changes in equity	2
Notes to the financial statements	3 - 11

---

# BLOK LONDON LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	unaudited £	£
<b>Fixed assets</b>					
Intangible assets	4		108,150		60,420
Tangible assets	5		1,511,048		1,659,081
			<u>1,619,198</u>		<u>1,719,501</u>
<b>Current assets</b>					
Debtors	6	153,127		154,434	
Cash at bank and in hand		68,250		151,803	
		<u>221,377</u>		<u>306,237</u>	
<b>Creditors: amounts falling due within one year</b>	7	(3,206,631)		(3,310,300)	
<b>Net current liabilities</b>			<u>(2,985,254)</u>		<u>(3,004,063)</u>
<b>Total assets less current liabilities</b>			<u>(1,366,056)</u>		<u>(1,284,562)</u>
<b>Creditors: amounts falling due after more than one year</b>	8		(1,405,657)		(758,396)
<b>Net liabilities</b>			<u>(2,771,713)</u>		<u>(2,042,958)</u>
<b>Capital and reserves</b>					
Called up share capital	9		1,159		1,159
Share premium account			1,308,804		1,308,804
Equity reserve			7,844		8,952
Other reserves			1,125,679		-
Profit and loss reserves			<u>(5,215,199)</u>		<u>(3,361,873)</u>
<b>Total equity</b>			<u>(2,771,713)</u>		<u>(2,042,958)</u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 21 December 2022 and are signed on its behalf by:

E Stanbury  
Director

Company Registration No. 09823895

# BLOK LONDON LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium account	Equity reserve	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
<b>Balance at 1 January 2020</b>	1,105	851,418	-	-	(2,054,326)	(1,201,803)
<b>Year ended 31 December 2020:</b>						
Loss and total comprehensive income for the year	-	-	-	-	(1,307,547)	(1,307,547)
Issue of share capital	9 54	457,386	-	-	-	457,440
Equity-settled share-based payments	-	-	8,952	-	-	8,952
<b>Balance at 31 December 2020</b>	1,159	1,308,804	8,952	-	(3,361,873)	(2,042,958)
<b>Year ended 31 December 2021:</b>						
Loss and total comprehensive income for the year	-	-	-	-	(1,853,326)	(1,853,326)
Issue of convertible loan	-	-	-	125,679	-	-
Advanced subscription agreement	-	-	-	1,000,000	-	1,000,000
Equity-settled share-based payments	-	-	(1,108)	-	-	(1,108)
<b>Balance at 31 December 2021</b>	1,159	1,308,804	7,844	1,125,679	(5,215,199)	(2,771,713)

# BLOK LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

---

### **1 Accounting policies**

#### **Company information**

Blok London Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit J5 38-40 Clapton Tram Depot, Upper Clapton Road, Clapton, London, United Kingdom, E5 8BQ.

#### **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**

The financial statements have been prepared on a going concern basis. The company incurred losses during the year and the directors are aware that the statement of financial position reflects net liabilities. However, the directors are currently fundraising and are confident in raising sufficient funds to meet the company's obligations when they become due. The directors are therefore of the opinion that they should continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

#### **1.4 Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### **1.5 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Development costs	25% straight-line
Other Intangibles	10% straight-line

#### **1.6 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.

# BLOK LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

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:

Improvements to property	Straight Line over the life time of the lease
Gym Equipment	25% Straight Line
Fixtures and fittings	25% Straight Line
Computer equipment	25% Straight Line

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.

#### 1.7 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### 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' 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.

# BLOK LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, 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. 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.

#### **Non-basic financial liabilities**

Non-basic financial liabilities are initially measured at transaction price. They are subsequently measured at fair value, except that gains arising on instruments where the fair value is not based upon a quoted price in an active market for identical instruments are not recognised. Where financial instruments cannot be valued reliably they are measured at amortised cost.

#### **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.

# BLOK LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

#### 1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.



# BLOK LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 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	2020
	Number	Number
Total	52	43

### 4 Intangible fixed assets

	Development costs £	Other Intangibles £	Total £
<b>Cost</b>			
At 1 January 2021 - unaudited	65,673	4,600	70,273
Additions	79,872	3,529	83,401
At 31 December 2021	145,545	8,129	153,674
<b>Amortisation and impairment</b>			
At 1 January 2021 - unaudited	8,465	1,388	9,853
Amortisation charged for the year	34,858	813	35,671
At 31 December 2021	43,323	2,201	45,524
<b>Carrying amount</b>			
At 31 December 2021	102,222	5,928	108,150
At 31 December 2020 - unaudited	57,208	3,212	60,420

# BLOK LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 5 Tangible fixed assets

	Improvements to Gym Equipment property		Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2021 - unaudited	2,090,589	93,463	125,138	70,627	2,379,817
Additions	8,075	9,596	2,641	1,291	21,603
	<u>2,098,664</u>	<u>103,059</u>	<u>127,779</u>	<u>71,918</u>	<u>2,401,420</u>
<b>At 31 December 2021</b>					
	<u>2,098,664</u>	<u>103,059</u>	<u>127,779</u>	<u>71,918</u>	<u>2,401,420</u>
<b>Depreciation and impairment</b>					
At 1 January 2021 - unaudited	553,731	52,252	84,867	29,886	720,736
Depreciation charged in the year	116,783	21,185	15,281	16,387	169,636
	<u>670,514</u>	<u>73,437</u>	<u>100,148</u>	<u>46,273</u>	<u>890,372</u>
<b>At 31 December 2021</b>					
	<u>670,514</u>	<u>73,437</u>	<u>100,148</u>	<u>46,273</u>	<u>890,372</u>
<b>Carrying amount</b>					
At 31 December 2021	1,428,150	29,622	27,631	25,645	1,511,048
	<u>1,428,150</u>	<u>29,622</u>	<u>27,631</u>	<u>25,645</u>	<u>1,511,048</u>
At 31 December 2020 - unaudited	1,536,858	41,211	40,271	40,741	1,659,081
	<u>1,536,858</u>	<u>41,211</u>	<u>40,271</u>	<u>40,741</u>	<u>1,659,081</u>

### 6 Debtors

	2021	2020
	£	unaudited £
<b>Amounts falling due within one year:</b>		
Trade debtors	15,339	66,750
Corporation tax recoverable	11	-
Other debtors	137,777	87,684
	<u>153,127</u>	<u>154,434</u>
	<u>153,127</u>	<u>154,434</u>

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

	2021	2020
	£	unaudited £
Bank loans	147,484	135,847
Trade creditors	439,294	257,944
Taxation and social security	196,174	360,035
Other creditors	2,423,679	2,556,474
	<u>3,206,631</u>	<u>3,310,300</u>
	<u>3,206,631</u>	<u>3,310,300</u>

Included in current creditors is a total of £146,137 (2020: £130,330) of loans secured by a fixed and floating charge over all assets of the company.

# BLOK LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Creditors: amounts falling due after more than one year

	2021	2020
		unaudited
Notes	£	£
Bank loans	1,094,565	351,188
Other loans	302,000	302,000
Other creditors	9,092	105,208
	<u>1,405,657</u>	<u>758,396</u>

Included within bank loans is a total of £884,321 (2020: £nil) which relates to an unsecured loan which matures in March 2024. The loan has been recognised at present value using an implicit rate of 6.5%.

Included within bank loans is a total of £160,964 (2020: £306,705) of loans secured by a fixed and floating charge over all assets of the company.

Included in other loans are unsecured loan notes with year end balance of £302,000 (2020: £302,000), interest is payable at 6% per annum.

Included in non-current creditors is a Bounce Back Loan that is 100% backed by the government. The amount is repayable by monthly instalments within 6 years and has a 2.5% p.a. interest rate.

### 9 Called up share capital

	2021	2020	2021	2020
	Number	unaudited Number	£	unaudited £
Ordinary share capital Issued and fully paid				
Ordinary shares of 0.01p each	11,590,397	11,590,397	1,159	1,159

### 10 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2021	2020	2021	2020
	Number	unaudited Number	£	unaudited £
Outstanding at 1 January 2021	916,912	-	0.01	-
Granted	-	916,912	-	0.01
Forfeited	(470,588)	-	-	-
Outstanding at 31 December 2021	<u>446,324</u>	<u>916,912</u>	<u>-</u>	<u>0.01</u>
Exercisable at 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The options outstanding at 31 December 2021 had an exercise price of £0.085 each.

# BLOK LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 Share-based payment transactions

(Continued)

The company is unable to directly measure the fair value of employee services received. Instead the fair value of the share options granted during the year is determined using the Black-Scholes model. The model is internationally recognised as being appropriate to value employee share schemes similar to the key-employee schemes.

### 11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

#### Material uncertainty related to going concern

We draw attention to the going concern accounting policy in the financial statements, which indicates that the company incurred a net loss of £1,853,326 during the year ended 31 December 2021 and, as of that date, the company's current liabilities exceeded its total assets by £1,366,056. As stated in the going concern accounting policy, these events or conditions, along with other matters as set forth in the going concern accounting policy regarding fundraising, 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.

The senior statutory auditor was Matthew Burge and the auditor was Beavis Morgan Audit Limited.

### 12 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
£	unaudited £
5,820,735	4,921,596

### 13 Events after the reporting date

On 2 February 2022, the company raised £3,934,669 in equity by way of an allotment of shares. The amount raised in cash by the allotted shares totalled £2,750,954. The remaining amount of £1,183,715 was raised by the conversion of a convertible loan note of £1,083,715 and the conversion of a £100,000 loan with H Liu.

## **BLOK LONDON LIMITED**

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

***FOR THE YEAR ENDED 31 DECEMBER 2021***

---

#### **14 Related party transactions**

At the balance sheet date, £18,956 (2020: £1,959) was owed to Aspley Developments Limited, a company which E Stanbury, a director of the company, has a controlling interest. Rent of £90,751 (2020: £76,483) was charged by this company.

At the balance sheet date, £1,206,927 (2020: £nil) discounted to present value was owed to Santon Capital PLC, a shareholder of the company.

At the balance sheet date, £23,873 (2020: £89,901) was owed to M A Oppenheim, a director of the company. Interest of £805 (2020: £5,919) was charged in respect of this loan.

At the balance sheet date, £22,346 (2020: £89,901) was owed to E Stanbury, a director of the company. Interest of £817 (2020: £5,919) was charged in respect of this loan.

H Liu, a director of the company, issued loans totalling £302,000 to the company, in prior years, where interest of £18,133 (2020: £13,500) was charged on these loans. At the balance sheet date, £302,000 (2020: £315,500) was outstanding, in respect of these loans.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.