

Company registration number 09823895 (England and Wales)

**BLOK LONDON LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**  
**PAGES FOR FILING WITH REGISTRAR**

**BLOK LONDON LIMITED**

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# BLOK LONDON LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	Audited £	£
<b>Fixed assets</b>					
Intangible assets	3		269,299		108,150
Tangible assets	4		1,375,380		1,511,048
			<u>1,644,679</u>		<u>1,619,198</u>
<b>Current assets</b>					
Stocks		6,000		-	
Debtors	5	294,246		153,127	
Cash at bank and in hand		28,321		68,250	
		<u>328,567</u>		<u>221,377</u>	
<b>Creditors: amounts falling due within one year</b>	6	(3,270,599)		(3,206,631)	
<b>Net current liabilities</b>			<u>(2,942,032)</u>		<u>(2,985,254)</u>
<b>Total assets less current liabilities</b>			<u>(1,297,353)</u>		<u>(1,366,056)</u>
<b>Creditors: amounts falling due after more than one year</b>	7		(445,730)		(1,405,657)
<b>Net liabilities</b>			<u>(1,743,083)</u>		<u>(2,771,713)</u>
<b>Capital and reserves</b>					
Called up share capital	9		2,238		1,159
Share premium account			5,137,224		1,308,804
Equity reserve			7,844		7,844
Other reserves			165,001		1,125,679
Profit and loss reserves			(7,055,390)		(5,215,199)
<b>Total equity</b>			<u>(1,743,083)</u>		<u>(2,771,713)</u>

The notes on pages 3 to 10 form part of these financial statements.

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 December 2022 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 members have 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.

## **BLOK LONDON LIMITED**

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

***AS AT 31 DECEMBER 2022***

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The financial statements were approved by the board of directors and authorised for issue on 28 September 2023 and are signed on its behalf by:

E Stanbury  
**Director**

Company registration number 09823895 (England and Wales)

# BLOK LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **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, 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 2022

### 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:

Leasehold improvements	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 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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.

#### 1.9 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.

#### 1.10 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.

# BLOK LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### **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 creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

#### **1.11 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.

#### **1.12 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 2022

### 1 Accounting policies

(Continued)

#### 1.13 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.

#### 1.14 Retirement benefits

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

#### 1.15 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.

#### 1.16 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.

#### 1.17 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 2022

#### 2 Employees

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

	2022 Number	2021 Number
Total	51	52

#### 3 Intangible fixed assets

	Other £	Other Intangibles £	Total £
<b>Cost</b>			
At 1 January 2022	145,545	8,129	153,674
Additions	202,877	3,414	206,291
At 31 December 2022	348,422	11,543	359,965
<b>Amortisation and impairment</b>			
At 1 January 2022	43,323	2,201	45,524
Amortisation charged for the year	44,040	1,102	45,142
At 31 December 2022	87,363	3,303	90,666
<b>Carrying amount</b>			
At 31 December 2022	261,059	8,240	269,299
At 31 December 2021	102,222	5,928	108,150

# BLOK LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 4 Tangible fixed assets

	Leasehold improvements	Gym equipment	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2022	2,098,664	103,059	127,779	71,918	2,401,420
Additions	161	8,103	7,868	17,408	33,540
Disposals	(4,450)	-	-	-	(4,450)
At 31 December 2022	2,094,375	111,162	135,647	89,326	2,430,510
<b>Depreciation and impairment</b>					
At 1 January 2022	670,514	73,437	100,148	46,273	890,372
Depreciation charged in the year	115,499	16,351	16,401	17,085	165,336
Eliminated in respect of disposals	(578)	-	-	-	(578)
At 31 December 2022	785,435	89,788	116,549	63,358	1,055,130
<b>Carrying amount</b>					
At 31 December 2022	1,308,940	21,374	19,098	25,968	1,375,380
At 31 December 2021	1,428,150	29,622	27,631	25,645	1,511,048

### 5 Debtors

	2022	2021
	£	Audited £
<b>Amounts falling due within one year:</b>		
Trade debtors	5,487	15,339
Corporation tax recoverable	-	11
Other debtors	288,759	137,777
	294,246	153,127

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

	2022	2021
	£	Audited £
Bank loans	76,577	147,484
Trade creditors	707,425	439,294
Taxation and social security	372,909	196,174
Other creditors	2,113,688	2,423,679
	3,270,599	3,206,631

Included in current creditors is a total of £75,615 (2021: £146,137) 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 2022

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

	2022	2021
	£	Audited £
Bank loans and overdrafts	244,741	1,094,565
Convertible loans	200,000	302,000
Other creditors	989	9,092
	<u>445,730</u>	<u>1,405,657</u>

Included within bank loans and overdrafts is a total of £nil (2021: £884,321) which related to an unsecured loan which was converted to shares in February 2022.

Included within bank loans and overdrafts is a total of £197,863 (2021: £160,964) 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 £200,000 (2021: £302,000), interest is payable at 6% per annum.

### 8 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2022	2021	2022	2021
	Number	Number	£	£
Outstanding at 1 January 2022	446,324	916,912	-	0.01
Forfeited	-	(470,588)	-	-
Outstanding at 31 December 2022	<u>446,324</u>	<u>446,324</u>	<u>-</u>	<u>-</u>
Exercisable at 31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The options outstanding at 31 December 2022 had an exercise price of £0.085 each.

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.

### 9 Called up share capital

	2022	2021	2022	2021
	Number	Audited Number	£	Audited £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 0.01p each	11,590,397	11,590,397	1,159	1,159
Ordinary A shares of 0.01p each	10,793,315	-	1,079	-
	<u>22,383,712</u>	<u>11,590,397</u>	<u>2,238</u>	<u>1,159</u>

# BLOK LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 10 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:

2022	2021
£	Audited £
5,631,687	5,820,735

### 11 Events after the reporting date

On 24 March 2023, the company raised £554,241 in equity by way of an allotment of shares.

### 12 Related party transactions

At the balance sheet date, £49,440 (2021: £18,956) was owed to Aspley Developments Limited, a company which E Stanbury, a director of the company, has a controlling interest. Rent of £88,307 (2021: £90,751) was charged by this company.

At the balance sheet date, £21,977 (2021: £23,873) was owed to M A Oppenheim, who was a director of the company until their resignation in February 2022. Interest is being charged at 5% per annum. The loan is unsecured and repayable on demand.

At the balance sheet date, £21,977 (2021: £22,346) was owed to E Stanbury, a director of the company. Interest is being charged at 5% per annum. The loan is unsecured and repayable on demand.

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