

Company registration number 04627713 (England and Wales)

**APARTMENT 1 LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2022**

# APARTMENT 1 LIMITED

## COMPANY INFORMATION

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<b>Director</b>	D Fisher
<b>Secretary</b>	A J Fisher
<b>Company number</b>	04627713
<b>Registered office</b>	The Apartment Group 1st Floor Two, Jesmond Three Sixty Newcastle upon Tyne NE2 1DB
<b>Auditor</b>	Sumer Auditco Limited The Beehive Beehive Ring Road London Gatwick Airport Gatwick United Kingdom RH6 0PA
<b>Business address</b>	26-32 Collingwood Street Newcastle upon Tyne NE1 1JF

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# APARTMENT 1 LIMITED

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# **APARTMENT 1 LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 JULY 2022**

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The director presents the strategic report for the year ended 31 July 2022.

#### **Principal activity**

The principal activity of the company is that of a wine bar and night club operator.

#### **Fair review of the business**

The rebranded venues reopened in October 2021 following extensive refurbishment. It is believed over time this rebrand will provide the premium social experience that the bars are famous for, whilst generating higher levels of turnover consistently.

During the year, the venue refurbishments concluded and each venue reopened in October 2021. The refurbished venues provide a premium level of social experience to customers and have proved to be a popular destination for the public.

#### **Key performance indicators**

The director considers turnover, gross profit and EBITDA (earnings before interest, tax, depreciation and amortisation) to be the key measures of the company's performance:

- Turnover in the year was £1,875,496 (2021 - £nil).
- Gross profit margin for the year was also 77.76% (2021 - nil).
- Loss before Interest, Tax, Depreciation & Amortisation (LBITDA) for the year was £539,144 (2021 - LBITDA £369,084)
- Loss before tax (LBT) for the year was £960,699 (2021 - LBT £769,934).

The balance sheet shows that the company net assets have decreased from £5,588,849 to £4,909,030.

The director considers the company's financial performance and position to be satisfactory in the light of current trading conditions.

#### **Fixed assets**

In the opinion of the director, the value of the company's land and buildings are not materially in excess of that shown in the financial statements when considered in relation to its use in the company's trade.

# APARTMENT 1 LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

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#### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks. The board reviews these risks and puts in place policies to mitigate them. The key business and financial risks are:

##### *Employees*

The company's performance depends largely on some key employees. The company provides competitive remuneration packages to ensure key employees are both retained and incentivised.

##### *Environment, health and safety incidents*

Appropriate measures are implemented to ensure the risk of any environmental and health and safety issues are minimised. The company strives to maintain high standards in these areas.

##### *Interest rate risk*

The company monitors interest rate risk and considers that its current policy meets its objectives of managing its exposure.

##### *Liquidity risk*

The director regularly monitors the financial information to ensure that any risks in this area are considered on a timely basis.

##### *Credit risk*

The director regularly monitors debtors to ensure that any risks of bad and doubtful debts are provided for on a timely basis.

#### **Future developments**

The company completed a £2m re-development of the Howlers, ChacaBuchi, Verano and La Fee venues. The venues will continue to evolve, providing a fresh, premium experience for our customers.

On behalf of the board

**D Fisher**

**Director**

Approved by the board on 26 April 2023

# **APARTMENT 1 LIMITED**

## **DIRECTOR'S REPORT**

### **FOR THE YEAR ENDED 31 JULY 2022**

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The director presents his annual report and financial statements for the year ended 31 July 2022.

#### **Director**

The director who held office during the year and up to the date of signature of the financial statements was as follows:

D Fisher

#### **Results and dividends**

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £97,031. The director does not recommend payment of a final dividend.

#### **Auditor**

Sumer Audico Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **Statement of director's responsibilities**

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

## **APARTMENT 1 LIMITED**

### **DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022**

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#### **Strategic report**

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

**D Fisher**

**Director**

Approved by the board on 26 April 2023

# APARTMENT 1 LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBER OF APARTMENT 1 LIMITED

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#### Opinion

We have audited the financial statements of Apartment 1 Limited (the 'company') for the year ended 31 July 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.



## **APARTMENT 1 LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBER OF APARTMENT 1 LIMITED**

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##### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

##### **Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

##### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## **APARTMENT 1 LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBER OF APARTMENT 1 LIMITED**

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##### **Capability of the audit in detecting irregularities, including fraud**

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include health & safety legislation and UK licensing laws.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of legal costs incurred; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

##### **Use of our report**

This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to the member in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, for our audit work, for this report, or for the opinions we have formed.

**Paul Gainford**  
**Senior Statutory Auditor**  
**For and on behalf of Sumer Auditco Limited**  
**Statutory Auditor**  
**The Beehive Beehive Ring Road**  
**Gatwick**  
**United Kingdom**  
**RH6 0PA**

27 April 2023

## APARTMENT 1 LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	1,875,496	-
Cost of sales		(417,057)	(6,102)
<b>Gross profit/(loss)</b>		1,458,439	(6,102)
Administrative expenses		(3,492,974)	(1,608,314)
Other operating income		1,224,701	986,772
<b>Operating loss</b>	<b>4</b>	(809,834)	(627,644)
Interest receivable and similar income	<b>7</b>	12	112
Interest payable and similar expenses	<b>8</b>	(150,877)	(142,402)
<b>Loss before taxation</b>		(960,699)	(769,934)
Tax on loss	<b>9</b>	377,911	(76,661)
<b>Loss for the financial year</b>		(582,788)	(846,595)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

## **APARTMENT 1 LIMITED**

### **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2022**

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	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Loss for the year</b>	(582,788)	(846,595)
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>(582,788)</u>	<u>(846,595)</u>

# APARTMENT 1 LIMITED

## BALANCE SHEET

AS AT 31 JULY 2022

		2022	2021
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	11	6,201,855	5,787,757
<b>Current assets</b>			
Stocks	12	66,866	95,605
Debtors falling due after more than one year	13	2,864,098	3,666,931
Debtors falling due within one year	13	2,488,225	1,113,964
Cash at bank and in hand		88,466	1,250,548
		5,507,655	6,127,048
<b>Creditors: amounts falling due within one year</b>	14	(1,619,527)	(1,072,195)
<b>Net current assets</b>		3,888,128	5,054,853
<b>Total assets less current liabilities</b>		10,089,983	10,842,610
<b>Creditors: amounts falling due after more than one year</b>	15	(5,073,213)	(4,768,110)
<b>Provisions for liabilities</b>			
Deferred tax liability	17	107,740	485,651
		(107,740)	(485,651)
<b>Net assets</b>		4,909,030	5,588,849
<b>Capital and reserves</b>			
Called up share capital	19	100	100
Profit and loss reserves		4,908,930	5,588,749
<b>Total equity</b>		4,909,030	5,588,849

The financial statements were approved and signed by the director and authorised for issue on 26 April 2023

**D Fisher**  
Director

Company Registration No. 04627713

# APARTMENT 1 LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2022

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 August 2020</b>		100	6,958,344	6,958,444
<b>Year ended 31 July 2021:</b>				
Loss and total comprehensive income for the year		-	(846,595)	(846,595)
Dividends	10	-	(523,000)	(523,000)
<b>Balance at 31 July 2021</b>		100	5,588,749	5,588,849
<b>Year ended 31 July 2022:</b>				
Loss and total comprehensive income for the year		-	(582,788)	(582,788)
Dividends	10	-	(97,031)	(97,031)
<b>Balance at 31 July 2022</b>		100	4,908,930	4,909,030

# APARTMENT 1 LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	24		(367,274)		297,383
Interest paid			(150,877)		(142,402)
Income taxes paid			(110,000)		-
<b>Net cash (outflow)/inflow from operating activities</b>			(628,151)		154,981
<b>Investing activities</b>					
Purchase of tangible fixed assets		(690,238)		(710,802)	
Proceeds from disposal of tangible fixed assets		5,450		-	
Interest received		12		112	
<b>Net cash used in investing activities</b>			(684,776)		(710,690)
<b>Financing activities</b>					
Proceeds from new bank loans		550,000		-	
Repayment of bank loans		(399,155)		(323,469)	
Dividends paid		-		(523,000)	
<b>Net cash generated from/(used in) financing activities</b>			150,845		(846,469)
<b>Net decrease in cash and cash equivalents</b>			(1,162,082)		(1,402,178)
Cash and cash equivalents at beginning of year			1,250,548		2,652,726
<b>Cash and cash equivalents at end of year</b>			88,466		1,250,548

# APARTMENT 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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### 1 Accounting policies

#### Company information

Apartment 1 Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Apartment Group, 1st Floor, Two, Jesmond Three Sixty, Newcastle upon Tyne, NE2 1DB. The principal business address is 26-36 Collingwood Street, NE1 1JF.

#### 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.

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

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover represents the total value of bar and door takings, excluding value added tax. Turnover is attributable to the continuing principal activity of the company and arose wholly within the United Kingdom.

#### 1.4 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:

Tenants improvements	Straight line over the life of the lease
Leasehold property	Straight line over the life of the lease
Plant and machinery	10% reducing balance
Fixtures, fittings and equipment	15% reducing balance
Motor vehicles	20% 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.

#### 1.5 Impairment of fixed assets

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

#### 1.6 Stocks

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell.

Cost is calculated on goods for resale as the purchase price on the cost of the stock.



# APARTMENT 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 1 Accounting policies

(Continued)

#### 1.7 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.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **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.

# APARTMENT 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans and loans from connected 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. 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.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.8 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.

### 1.9 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.

### 1.10 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, if considered material to the financial statements.

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.

### 1.11 Retirement benefits

The company provides a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

# APARTMENT 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

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### 1 Accounting policies

(Continued)

#### 1.12 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### *Assessing indicators of impairment*

In assessing whether there have been any indications of impairment of assets, the director has considered both external and internal sources of information such as market conditions and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

#### *Key sources of estimation uncertainty*

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### *Determining residual values and useful economic lives of tangible fixed assets*

The company depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible fixed assets. When determining the residual value management aim to assess the amount that the company would currently obtain for disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices. The carrying amount of tangible fixed assets at the reporting end date was £6,201,855 (2021 - £5,787,757).

## APARTMENT 1 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

#### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022	2021
	£	£
<b>Turnover analysed by class of business</b>		
Bar and door takings	1,875,496	-
	<u>          </u>	<u>          </u>
	2022	2021
	£	£
<b>Other significant revenue</b>		
Room, equipment and venue hire	52,807	28,000
Head office recharges	1,164,843	741,750
Grants received	7,006	228,488
	<u>          </u>	<u>          </u>

Turnover and other significant revenue have arisen wholly within the UK.

Grant income includes amounts of £6,506 (2021 - £162,617) received in relation to the Coronavirus Job Retention Scheme and £nil (2021 - £65,871) received in relation to Covid-19 support funding from the local authority.

#### 4 Operating loss

	2022	2021
	£	£
Operating loss for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	6,450	6,000
Depreciation of owned tangible fixed assets	271,291	95,679
(Profit)/loss on disposal of tangible fixed assets	(601)	162,881
	<u>          </u>	<u>          </u>

#### 5 Employees

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

	2022	2021
	Number	Number
Director	1	1
Operational	55	3
Administration and finance	23	19
	<u>          </u>	<u>          </u>
	79	23
	<u>          </u>	<u>          </u>

# APARTMENT 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

<b>5</b>	<b>Employees</b>	<b>(Continued)</b>	
	Their aggregate remuneration comprised:		
		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	Wages and salaries	820,919	94,295
	Social security costs	40,297	9,593
	Pension costs	20,288	13,268
		<u>881,504</u>	<u>117,156</u>
		<u><u>881,504</u></u>	<u><u>117,156</u></u>
<b>6</b>	<b>Director's remuneration</b>		
		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	Remuneration for qualifying services	15,714	30,656
		<u>15,714</u>	<u>30,656</u>
		<u><u>15,714</u></u>	<u><u>30,656</u></u>
<b>7</b>	<b>Interest receivable and similar income</b>		
		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	Interest income		
	Interest on bank deposits	12	112
		<u>12</u>	<u>112</u>
		<u><u>12</u></u>	<u><u>112</u></u>
<b>8</b>	<b>Interest payable and similar expenses</b>		
		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	Interest on financial liabilities measured at amortised cost:		
	Other interest on financial liabilities	150,877	142,402
		<u>150,877</u>	<u>142,402</u>
		<u><u>150,877</u></u>	<u><u>142,402</u></u>

## APARTMENT 1 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

#### 9 Taxation

	2022 £	2021 £
<b>Current tax</b>		
Adjustments in respect of prior periods	-	(298,132)
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(377,911)	374,793
	<u>          </u>	<u>          </u>
Total tax (credit)/charge	<u>(377,911)</u>	<u>76,661</u>

The actual (credit)/charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(960,699)	(769,934)
	<u>          </u>	<u>          </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(182,533)	(146,287)
Tax effect of expenses that are not deductible in determining taxable profit	209	31,268
Tax effect of income not taxable in determining taxable profit	(28,581)	-
Tax effect of utilisation of tax losses not previously recognised	-	86,590
Adjustments in respect of prior years	(104,087)	(298,132)
Permanent capital allowances in excess of depreciation	2,868	28,429
Tax rate changes	(65,787)	-
Deferred tax adjustment	-	374,793
	<u>          </u>	<u>          </u>
Taxation (credit)/charge for the year	<u>(377,911)</u>	<u>76,661</u>

#### 10 Dividends

	2022 £	2021 £
Ordinary interim paid	97,031	523,000
	<u>          </u>	<u>          </u>

# APARTMENT 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 11 Tangible fixed assets

	Tenants improvements	Leasehold property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 August 2021	592,638	3,235,417	1,246,234	2,273,110	52,511	7,399,910
Additions	-	-	1,435	678,213	10,590	690,238
Disposals	-	-	-	-	(5,595)	(5,595)
At 31 July 2022	592,638	3,235,417	1,247,669	2,951,323	57,506	8,084,553
<b>Depreciation</b>						
At 1 August 2021	170,180	44,572	889,778	478,569	29,054	1,612,153
Charge for the year	11,853	3,242	35,675	214,334	6,187	271,291
Eliminated in respect of disposals	-	-	-	-	(746)	(746)
At 31 July 2022	182,033	47,814	925,453	692,903	34,495	1,882,698
<b>Carrying amount</b>						
At 31 July 2022	410,605	3,187,603	322,216	2,258,420	23,011	6,201,855
At 31 July 2021	422,458	3,190,845	356,456	1,794,541	23,457	5,787,757

### 12 Stocks

	2022 £	2021 £
Goods for resale	66,866	95,605

### 13 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,362	27,877
Corporation tax recoverable	231,320	121,320
Amounts due from connected companies	1,907,471	599,001
Other debtors	139,912	242,069
Prepayments and accrued income	208,160	123,697
	2,488,225	1,113,964
<b>Amounts falling due after more than one year:</b>		
Amounts due from connected companies	2,864,098	3,666,931
<b>Total debtors</b>	5,352,323	4,780,895

## APARTMENT 1 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

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

	Notes	2022 £	2021 £
Bank loans	16	232,819	387,577
Trade creditors		724,334	406,581
Amounts due to connected companies		132,866	81,617
Other taxation and social security		244,117	83,809
Other creditors		123,242	43,617
Accruals and deferred income		162,149	68,994
		<u>1,619,527</u>	<u>1,072,195</u>

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

	Notes	2022 £	2021 £
Bank loans and overdrafts	16	5,058,214	4,752,611
Government grants		14,999	15,499
		<u>5,073,213</u>	<u>4,768,110</u>

#### 16 Loans and overdrafts

	2022 £	2021 £
Bank loans	<u>5,291,033</u>	<u>5,140,188</u>
Payable within one year	232,819	387,577
Payable after one year	<u>5,058,214</u>	<u>4,752,611</u>

Bank loans are secured by way of an unlimited guarantee granted by Apartment 1 Limited and associated companies Newton Hall (Northumberland) Limited, Manners (Newcastle) Limited and Vibrant Ventures Limited. The loans are also secured by way of a debenture over all four companies and a fixed and floating legal charge over the assets of these companies.

#### 17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022 £	Liabilities 2021 £
<b>Balances:</b>		
Accelerated capital allowances	<u>107,740</u>	<u>485,651</u>



# APARTMENT 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

### 17 Deferred taxation (Continued)

	2022 £
<b>Movements in the year:</b>	
Liability at 1 August 2021	485,651
Credit to profit or loss	(377,911)
Liability at 31 July 2022	<u>107,740</u>

### 18 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	20,288	13,268
	<u>20,288</u>	<u>13,268</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 19 Share capital

	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The company has one class of ordinary shares which do not carry a right to fixed income.

### 20 Financial commitments, guarantees and contingent liabilities

The company has given an unlimited cross guarantee in favour of Natwest Bank Plc in respect of the bank borrowings of Apartment 1 Limited, Newton Hall (Northumberland) Limited, Manners (Newcastle) Limited and Vibrant Ventures Limited. No liability is expected to arise as a result of this guarantee.

### 21 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	15,714	30,656
	<u>15,714</u>	<u>30,656</u>

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

## APARTMENT 1 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

#### 21 Related party transactions

(Continued)

	Head office recharges:	
	2022	2021
	£	£
Entities with control, joint control or significant influence over the company	1,164,843	721,390

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
<b>Amounts due to related parties</b>		
Entities with control, joint control or significant influence over the company	132,886	81,617

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
<b>Amounts due from related parties</b>		
Entities with control, joint control or significant influence over the company	4,771,569	4,265,932

#### 22 Directors' transactions

Dividends totalling £97,031 (2021 - £523,000) were paid in the year in respect of shares held by the company's director.

Included within creditors due within one year is an amount owed by D Fisher, director and shareholder of the company amounting to £17,206 (2021 - £97,031 owed to).

#### 23 Ultimate controlling party

D Fisher is the controlling party by virtue of his interest in the issued share capital of the company.

# APARTMENT 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

### 24 Cash (absorbed by)/generated from operations

	2022 £	2021 £
Loss for the year after tax	(582,788)	(846,595)
<b>Adjustments for:</b>		
Taxation (credited)/charged	(377,911)	76,661
Finance costs	150,877	142,402
Investment income	(12)	(112)
(Gain)/loss on disposal of tangible fixed assets	(601)	162,881
Depreciation and impairment of tangible fixed assets	271,291	95,679
<b>Movements in working capital:</b>		
Decrease in stocks	28,739	11,097
(Increase)/decrease in debtors	(558,459)	711,583
Increase/(decrease) in creditors	702,090	(55,713)
Decrease in deferred income	(500)	(500)
<b>Cash (absorbed by)/generated from operations</b>	<b>(367,274)</b>	<b>297,383</b>

### 25 Analysis of changes in net debt

	1 August 2021 £	Cash flows £	31 July 2022 £
Cash at bank and in hand	1,250,548	(1,162,082)	88,466
Borrowings excluding overdrafts	(5,140,188)	(150,845)	(5,291,033)
	<u>(3,889,640)</u>	<u>(1,312,927)</u>	<u>(5,202,567)</u>

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.