

Company registration number 04627713 (England and Wales)

APARTMENT 1 LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

APARTMENT 1 LIMITED

COMPANY INFORMATION

Director	D Fisher
Secretary	A J Fisher
Company number	04627713
Registered office	The Apartment Group 1st Floor Two, Jesmond Three Sixty Newcastle upon Tyne NE2 1DB
Auditor	Sumer Auditco Limited Unit 2 Gosforth Park Avenue Newcastle Upon Tyne NE12 8EG
Business address	26-32 Collingwood Street Newcastle upon Tyne NE1 1JF

APARTMENT 1 LIMITED

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APARTMENT 1 LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2023

The director presents the strategic report for the year ended 31 July 2023.

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 of ChachaBuchi, Howlers, Social Bar and Social club showed improving sales year on year due to the premium level of social experience offered to customers.

The La fee was rebranded as Social bar and Social club, which has broadened the demographic of customers into the venues.

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 £1,984,473 (2022 - £1,875,496).
- Gross profit margin for the year was also 76.05% (2022 - 77.76%).
- Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA) for the year was £157,144 (2022 - LBITDA £539,144).
- Loss before tax (LBT) for the year was £593,427 (2022 - LBT £960,699).

The balance sheet shows that the company net assets have decreased from £4,909,030 to £4,420,619

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.

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.

APARTMENT 1 LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

Future developments

2023/24 is already showing significant growth on 2022/23 as the venues increase the number of the events offered to customers.

On behalf of the board

D Fisher

Director

Approved by the board on 30 April 2024

APARTMENT 1 LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 JULY 2023

The director presents his annual report and financial statements for the year ended 31 July 2023.

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.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Auditor

In accordance with the company's articles, a resolution proposing that Sumer Auditco Limited be reappointed as auditor of the company 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 2023

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 30 April 2024

APARTMENT 1 LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF APARTMENT 1 LIMITED

Opinion

We have audited the financial statements of Apartment 1 Limited (the 'company') for the year ended 31 July 2023 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 2023 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

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

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
Unit 2
Gosforth Park Avenue
Newcastle Upon Tyne
NE12 8EG

30 April 2024

APARTMENT 1 LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 £	2022 £
Turnover	3	1,984,473	1,875,496
Cost of sales		(475,357)	(417,057)
Gross profit		1,509,116	1,458,439
Administrative expenses		(3,854,067)	(3,492,974)
Other operating income		2,076,760	1,224,701
Operating loss	4	(268,191)	(809,834)
Interest receivable and similar income	7	-	12
Interest payable and similar expenses	8	(325,236)	(150,877)
Loss before taxation		(593,427)	(960,699)
Tax on loss	9	105,016	377,911
Loss for the financial year		(488,411)	(582,788)

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 2023

	2023	2022
	£	£
Loss for the year	(488,411)	(582,788)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(488,411)</u>	<u>(582,788)</u>

APARTMENT 1 LIMITED

BALANCE SHEET

AS AT 31 JULY 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		5,856,412		6,201,855
Current assets					
Stocks	12	106,210		66,866	
Debtors falling due after more than one year	13	1,846,009		2,864,098	
Debtors falling due within one year	13	2,868,686		2,488,225	
Cash at bank and in hand		247,654		88,466	
		<u>5,068,559</u>		<u>5,507,655</u>	
Creditors: amounts falling due within one year	14	<u>(1,698,508)</u>		<u>(1,619,527)</u>	
Net current assets			<u>3,370,051</u>		<u>3,888,128</u>
Total assets less current liabilities			<u>9,226,463</u>		<u>10,089,983</u>
Creditors: amounts falling due after more than one year	15		(4,805,844)		(5,073,213)
Provisions for liabilities					
Deferred tax liability	17	-		107,740	
		<u>-</u>	<u>-</u>	<u>(107,740)</u>	
Net assets			<u>4,420,619</u>		<u>4,909,030</u>
Capital and reserves					
Called up share capital	19		100		100
Profit and loss reserves			<u>4,420,519</u>		<u>4,908,930</u>
Total equity			<u>4,420,619</u>		<u>4,909,030</u>

The financial statements were approved and signed by the director and authorised for issue on 30 April 2024

D Fisher
Director

Company registration number 04627713 (England and Wales)

APARTMENT 1 LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2023

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 August 2021		100	5,588,749	5,588,849
Year ended 31 July 2022:				
Loss and total comprehensive income for the year		-	(582,788)	(582,788)
Dividends	10	-	(97,031)	(97,031)
Balance at 31 July 2022		100	4,908,930	4,909,030
Year ended 31 July 2023:				
Loss and total comprehensive income for the year		-	(488,411)	(488,411)
Balance at 31 July 2023		100	4,420,519	4,420,619

APARTMENT 1 LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	24		863,044		(367,274)
Interest paid			(325,236)		(150,877)
Income taxes refunded/(paid)			228,596		(110,000)
Net cash inflow/(outflow) from operating activities			766,404		(628,151)
Investing activities					
Purchase of tangible fixed assets		(89,142)		(690,238)	
Proceeds from disposal of tangible fixed assets		9,250		5,450	
Repayment of loans		30,706		-	
Interest received		-		12	
Net cash used in investing activities			(49,186)		(684,776)
Financing activities					
Proceeds from new bank loans		5,098,058		550,000	
Repayment of bank loans		(5,656,088)		(399,155)	
Net cash (used in)/generated from financing activities			(558,030)		150,845
Net increase/(decrease) in cash and cash equivalents			159,188		(1,162,082)
Cash and cash equivalents at beginning of year			88,466		1,250,548
Cash and cash equivalents at end of year			247,654		88,466

APARTMENT 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

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 2023

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.

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 2023

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 2023

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 £5,856,412 (2022 - £6,201,855).

APARTMENT 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

3 Turnover and other revenue

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

	2023 £	2022 £
Turnover analysed by class of business		
Bar and door takings	1,984,473	1,875,496
	<u> </u>	<u> </u>
	2023 £	2022 £
Other significant revenue		
Room, equipment and venue hire	19,500	52,807
Head office recharges	1,548,127	1,164,843
Grants received	500	7,006
	<u> </u>	<u> </u>

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

Grant income includes amounts of £nil (2022 - £6,506) received in relation to the Coronavirus Job Retention Scheme.

4 Operating loss

	2023 £	2022 £
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	6,300	6,450
Depreciation of owned tangible fixed assets	430,052	271,291
Profit on disposal of tangible fixed assets	(4,717)	(601)
	<u> </u>	<u> </u>

5 Employees

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

	2023 Number	2022 Number
Director	1	1
Operational	56	55
Administration and finance	25	23
	<u> </u>	<u> </u>
	82	79
	<u> </u>	<u> </u>

APARTMENT 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

5	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2023	2022
		£	£
	Wages and salaries	631,246	806,805
	Social security costs	36,287	40,297
	Pension costs	74,123	34,402
		<u>741,656</u>	<u>881,504</u>
6	Director's remuneration		
		2023	2022
		£	£
	Remuneration for qualifying services	14,677	15,714
		<u>14,677</u>	<u>15,714</u>
7	Interest receivable and similar income		
		2023	2022
		£	£
	Interest income		
	Interest on bank deposits	-	12
		<u>-</u>	<u>12</u>
8	Interest payable and similar expenses		
		2023	2022
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Other interest on financial liabilities	325,236	150,877
		<u>325,236</u>	<u>150,877</u>
9	Taxation		
		2023	2022
		£	£
	Current tax		
	Adjustments in respect of prior periods	2,724	-
		<u>2,724</u>	<u>-</u>
	Deferred tax		
	Origination and reversal of timing differences	(107,740)	(377,911)
		<u>(107,740)</u>	<u>(377,911)</u>
	Total tax credit	<u>(105,016)</u>	<u>(377,911)</u>

APARTMENT 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

9 Taxation

(Continued)

The actual credit 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:

	2023 £	2022 £
Loss before taxation	(593,427)	(960,699)
Expected tax credit based on the standard rate of corporation tax in the UK of 21.01% (2022: 19.00%)	(124,679)	(182,533)
Tax effect of expenses that are not deductible in determining taxable profit	1,780	209
Tax effect of income not taxable in determining taxable profit	(991)	(28,581)
Gains not taxable	158	-
Adjustments in respect of prior years	231,320	(104,087)
Effect of change in corporation tax rate	(98,538)	-
Permanent capital allowances in excess of depreciation	(6,326)	(65,787)
Depreciation on assets not qualifying for tax allowances	-	2,868
Deferred tax adjustment	(107,740)	-
Taxation credit for the year	(105,016)	(377,911)

10 Dividends

	2023 £	2022 £
Ordinary interim paid	-	97,031

APARTMENT 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

11 Tangible fixed assets

	Tenants improvements	Leasehold property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 August 2022	592,638	3,235,417	1,247,669	2,951,323	57,506	8,084,553
Additions	-	-	500	81,657	6,985	89,142
Disposals	-	-	-	-	(8,500)	(8,500)
At 31 July 2023	592,638	3,235,417	1,248,169	3,032,980	55,991	8,165,195
Depreciation						
At 1 August 2022	182,033	47,814	925,453	692,903	34,495	1,882,698
Charge for the year	11,853	3,242	32,247	381,190	1,520	430,052
Eliminated in respect of disposals	-	-	-	-	(3,967)	(3,967)
At 31 July 2023	193,886	51,056	957,700	1,074,093	32,048	2,308,783
Carrying amount						
At 31 July 2023	398,752	3,184,361	290,469	1,958,887	23,943	5,856,412
At 31 July 2022	410,605	3,187,603	322,216	2,258,420	23,011	6,201,855

12 Stocks

	2023 £	2022 £
Goods for resale	106,210	66,866

13 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	1,362	1,362
Corporation tax recoverable	-	231,320
Amounts due from connected companies	2,329,230	1,907,471
Other debtors	358,364	139,912
Prepayments and accrued income	179,730	208,160
	2,868,686	2,488,225
Amounts falling due after more than one year:		
Amounts due from connected companies	1,846,009	2,864,098
Total debtors	4,714,695	5,352,323

APARTMENT 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

14 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	16	195,239	232,819
Trade creditors		636,076	724,334
Amounts due to connected companies		395,359	132,866
Other taxation and social security		337,218	244,117
Other creditors		76,933	123,242
Accruals and deferred income		57,683	162,149
		<u>1,698,508</u>	<u>1,619,527</u>

15 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	16	4,791,345	5,058,214
Government grants		14,499	14,999
		<u>4,805,844</u>	<u>5,073,213</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	3,850,846	-
	<u>3,850,846</u>	<u>-</u>

16 Loans and overdrafts

	2023 £	2022 £
Bank loans	<u>4,986,584</u>	<u>5,291,033</u>
Payable within one year	195,239	232,819
Payable after one year	<u>4,791,345</u>	<u>5,058,214</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, Whitworth Hall Developments Limited, Modnarway Limited and Vibrant Ventures Limited. The loans are also secured by way of a debenture over all the companies and a fixed and floating legal charge over the assets of these companies.

The bank borrowings relate to a fixed term loan facility of 180 months, which is denominated in Pounds Sterling with a nominal interest rate of 2.5% over the Bank Of England Base rate at the time. The loan is repayable in equal instalments up to March 2038.

APARTMENT 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

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 2023 £	Liabilities 2022 £
Balances:		
Accelerated capital allowances	-	107,740
	<u> </u>	<u> </u>
Movements in the year:		2023 £
Liability at 1 August 2022		107,740
Credit to profit or loss		(107,740)
		<u> </u>
Liability at 31 July 2023		-
		<u> </u>

18 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	74,123	34,402
	<u> </u>	<u> </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

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary of £1 each	100	100	100	100
	<u> </u>	<u> </u>	<u> </u>	<u> </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, Modnarway Limited, Whitworth Hall Developments Limited and Vibrant Ventures Limited. No liability is expected to arise as a result of this guarantee.

APARTMENT 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	14,677	15,714

Transactions with related parties

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

	Head office recharges:	
	2023 £	2022 £
Entities with control, joint control or significant influence over the company	2,056,760	1,164,843

The following amounts were outstanding at the reporting end date:

	2023 £	2022 £
Amounts due to related parties		
Entities with control, joint control or significant influence over the company	395,359	132,886

The following amounts were outstanding at the reporting end date:

	2023 £	2022 £
Amounts due from related parties		
Entities with control, joint control or significant influence over the company	4,175,239	4,771,569

22 Directors' transactions

Dividends totalling £0 (2022 - £97,031) were paid in the year in respect of shares held by the company's director.

Included within debtors is an amount owed by D Fisher, director and shareholder of the company amounting to £222,875 (2022 - £17,206 -creditor)

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 2023

24 Cash generated from/(absorbed by) operations

	2023 £	2022 £
Loss for the year after tax	(488,411)	(582,788)
Adjustments for:		
Taxation credited	(105,016)	(377,911)
Finance costs	325,236	150,877
Investment income	-	(12)
Gain on disposal of tangible fixed assets	(4,717)	(601)
Depreciation and impairment of tangible fixed assets	430,052	271,291
Movements in working capital:		
(Increase)/decrease in stocks	(39,344)	28,739
Decrease/(increase) in debtors	629,183	(558,459)
Increase in creditors	116,561	702,090
Decrease in deferred income	(500)	(500)
Cash generated from/(absorbed by) operations	863,044	(367,274)

25 Analysis of changes in net debt

	1 August 2022 £	Cash flows £	31 July 2023 £
Cash at bank and in hand	88,466	159,188	247,654
Borrowings excluding overdrafts	(5,291,033)	304,449	(4,986,584)
	<u>(5,202,567)</u>	<u>463,637</u>	<u>(4,738,930)</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.