

Company Registration No. 07320095 (England and Wales)

BURNINGNIGHT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

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BURNINGNIGHT LIMITED

COMPANY INFORMATION

Directors	Mr A Harper Mr D Harvey (Appointed 8 May 2018)
Company number	07320095
Registered office	4th Floor, Sovereign House 1-2 South Parade Leeds West Yorkshire LS1 5QL
Auditors	Henton & Co LLP 118 North Street Leeds West Yorkshire LS2 7PN

BURNINGNIGHT LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditor's report	5 - 6
Consolidated statement of total comprehensive income	7
Group balance sheet	8
Company balance sheet	9
Group statement of changes in equity	10
Company statement of changes in equity	11
Consolidated statement of cash flows	12

BURNINGNIGHT LIMITED

CONTENTS

Notes to the financial statements	13 - 32
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BURNINGNIGHT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2017

The directors present the strategic report and financial statements for the year ended 31 July 2017.

Fair review of the business

Despite the group returning an operating loss for the year, the directors are pleased with the increase in turnover from £17.4m to £19.0m due to the new Bierkeller Entertainment Complexes opened during the year.

Development works have been ongoing throughout the year close to the Cardiff Bierkeller site at the Millennium Plaza which have had an impact on trade at this site. The new pedestrianised area, incorporating key restaurants and retail brands, is due to be completed towards the end of 2018, and once complete, the directors are confident this will result in a significant increase in trade.

Principal risks and uncertainties

New operators local to our venues create competition, risks and uncertainties. The group's innovative marketing strategy including targeted social media campaigns together with ongoing improvements / refurbishments to bars, ensures these challenges are met as and when they arise.

Development and performance

During the financial year, new Bierkeller Entertainment Complexes were opened in Birmingham (December 2016) and Nottingham (March 2017).

The Nottingham BEC in particular has produced regular high levels of turnover since opening.

Key performance indicators

Turnover for the group has increased by £1.6m to £19.0m and the gross profit margin improved by 8% to 56% against the comparative year. The business produces detailed weekly KPI's to enable the directors and managers to efficiently direct the business and react quickly to changing customer needs and competitor offers.

On behalf of the board



Mr D Harvey

Director

20 July 2018

BURNINGNIGHT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2017

The directors present their annual report and financial statements for the year ended 31 July 2017.

Principal activities

The principal activity of the group during the year was the trading of alcoholic beverages through licensed premises.

Directors

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

Mr C Pickles	(Resigned 8 May 2018)
Mr A Harper	
Mr J Tankard	(Resigned 28 February 2018)
Mr D Harvey	(Appointed 8 May 2018)

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £183,500. The directors do not recommend payment of a final dividend.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Going concern

Despite the net current liabilities position of the group as a whole at the year end date, the directors are of the opinion, based on forward cash flow forecasts and budgets, that the group will continue in operational existence for the foreseeable future. As such, these financial statements have been prepared on a going concern basis.

Auditors

The auditors, Henton & Co LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

BURNINGNIGHT LIMITED

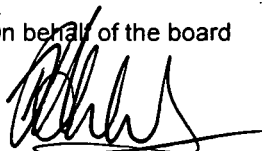
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

Statement of disclosure to auditors

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 auditors are 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 auditors are aware of that information.

On behalf of the board



Mr D Harvey

Director

20 July 2018

BURNINGNIGHT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JULY 2017

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BURNINGNIGHT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BURNINGNIGHT LIMITED

We have audited the financial statements of Burningnight Limited for the year ended 31 July 2017 which comprise and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the group's members, as a body, 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 group's members those matters we are required to state to them 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 group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 July 2017 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.

Emphasis of matter

In forming our opinion, we have considered the adequacy of the disclosures made in notes 1.3 of the financial statements concerning uncertainties which may cause doubt on the group's ability to continue as a going concern. In view of the significance of these uncertainties we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements prepared is consistent with the financial statements. The Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

BURNINGNIGHT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BURNINGNIGHT LIMITED

Matters on which we are required to report by exception

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

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

Henton & Co LLP

Chris Howitt (Senior Statutory Auditor)
for and on behalf of Henton & Co LLP

20 July 2018

Chartered Accountants
Statutory Auditor

118 North Street
Leeds
West Yorkshire
LS2 7PN

BURNINGNIGHT LIMITED

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2017

	Notes	2017 £	2016 £
Turnover	3	19,001,790	17,379,772
Cost of sales		(8,283,010)	(9,098,552)
Gross profit		10,718,780	8,281,220
Administrative expenses		(11,124,418)	(7,731,020)
Exceptional item	4	-	(57,346)
Operating (loss)/profit	5	(405,638)	492,854
Interest payable and similar charges	9	(1,390,206)	(496,269)
Amounts written off investments	10	99,585	(10,261)
Loss before taxation		(1,696,259)	(13,676)
Taxation		141,500	-
Loss for the financial year		(1,554,759)	(13,676)

Total comprehensive income for the year is all attributable to the owners of the parent company.

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

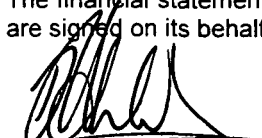
BURNINGNIGHT LIMITED

GROUP BALANCE SHEET

AS AT 31 JULY 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets	12	229,278		86,567	
Tangible assets	13	12,384,139		9,069,693	
Investment properties	14	1,481,840		-	
		<u>14,095,257</u>		<u>9,156,260</u>	
Current assets					
Stocks	16	198,747		138,615	
Debtors	17	7,278,792		3,437,197	
Cash at bank and in hand		310,688		517,819	
		<u>7,788,227</u>		<u>4,093,631</u>	
Creditors: falling due within one year	18	<u>(10,458,842)</u>		<u>(7,993,351)</u>	
Net current liabilities		(2,670,615)		(3,899,720)	
Total assets less current liabilities		11,424,642		5,256,540	
Creditors: amounts falling due after more than one year	19	(10,004,452)		(1,956,594)	
Provisions for liabilities		-		(141,500)	
Net assets		<u>1,420,190</u>		<u>3,158,446</u>	
Capital and reserves					
Called up share capital	23	1,510,091		1,510,091	
Share premium account		966,015		966,015	
Capital redemption reserve		25		25	
Profit and loss reserves		<u>(1,055,941)</u>		<u>682,315</u>	
Equity attributable to owners of the parent company		<u>1,420,190</u>		<u>3,158,446</u>	

The financial statements were approved by the board of directors and authorised for issue on 20 July 2018 and are signed on its behalf by:



Mr D Harvey
Director

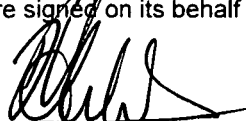
BURNINGNIGHT LIMITED

COMPANY BALANCE SHEET

AS AT 31 JULY 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets	12		48,233		-
Tangible assets	13		1,961,214		1,199,271
Investment properties	14		190,447		-
Investments			17		19
			<u>2,199,911</u>		<u>1,199,290</u>
Current assets					
Debtors	17	9,393,424		3,035,225	
Cash at bank and in hand		50,381		117,831	
		<u>9,443,805</u>		<u>3,153,056</u>	
Creditors: falling due within one year	18	<u>(2,499,882)</u>		<u>(1,535,952)</u>	
Net current assets			6,943,923		1,617,104
Total assets less current liabilities			9,143,834		2,816,394
Creditors: amounts falling due after more than one year	19		(7,541,817)		(211,815)
Provisions for liabilities			-		(41,500)
Net assets			<u>1,602,017</u>		<u>2,563,079</u>
Capital and reserves					
Called up share capital	23		1,510,091		1,510,091
Share premium account			966,015		966,015
Capital redemption reserve			25		25
Profit and loss reserves			(874,114)		86,948
Total equity			<u>1,602,017</u>		<u>2,563,079</u>

The financial statements were approved by the board of directors and authorised for issue on 20 July 2018 and are signed on its behalf by:



Mr D Harvey
Director

Company Registration No. 07320095

BURNINGNIGHT LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2017

	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 August 2015	116	975,866	191,281	-	820,120	1,987,383
Period ended 31 July 2016:						
Loss and total comprehensive income for the year	-	-	-	-	(13,676)	(13,676)
Issue of share capital	1,510,000	(9,851)	-	-	-	1,500,149
Dividends	-	-	-	-	(95,410)	(95,410)
Redemption of shares	-	-	-	-	(220,000)	(220,000)
Reduction of shares	(25)	-	-	25	-	-
Transfers	-	-	(191,281)	-	191,281	-
Balance at 31 July 2016	1,510,091	966,015	-	25	682,315	3,158,446
Period ended 31 July 2017:						
Loss and total comprehensive income for the year	-	-	-	-	(1,554,759)	(1,554,759)
Dividends	-	-	-	-	(183,500)	(183,500)
Balance at 31 July 2017	1,510,091	966,015	-	25	(1,055,941)	1,420,190

BURNINGNIGHT LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2017

	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 August 2015	116	975,866	-	252,885	1,228,867
Period ended 31 July 2016:					
Profit and total comprehensive income for the year	-	-	-	149,473	149,473
Issue of share capital	1,510,000	(9,851)	-	-	1,500,149
Dividends	-	-	-	(95,410)	(95,410)
Own shares acquired in the period	-	-	-	(220,000)	(220,000)
Reduction of shares	(25)	-	25	-	-
Balance at 31 July 2016	1,510,091	966,015	25	86,948	2,563,079
Period ended 31 July 2017:					
Loss and total comprehensive income for the year	-	-	-	(777,563)	(777,563)
Dividends	-	-	-	(183,500)	(183,500)
Balance at 31 July 2017	1,510,091	966,015	25	(874,114)	1,602,017

BURNINGNIGHT LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	32		(2,170,127)		2,380,108
Interest paid			(1,390,206)		(496,269)
Net cash (outflow)/inflow from operating activities			(3,560,333)		1,883,839
Investing activities					
Purchase of intangible assets		(170,837)		(87,400)	
Purchase of tangible fixed assets		(3,223,065)		(3,919,791)	
Proceeds on disposal of tangible fixed assets		45,000		2,735,509	
Purchase of investment property		(466,734)		-	
Proceeds on disposal of investment property		350,000		-	
Net cash used in investing activities			(3,465,636)		(1,271,682)
Financing activities					
Share issue costs		-		(9,851)	
Purchase of own shares		-		(220,000)	
Proceeds from borrowings		8,141,316		2,040,892	
Repayment of borrowings		(315,093)		(622,681)	
Payment of finance leases obligations		(823,968)		(1,370,215)	
Dividends paid to equity shareholders		(183,500)		(95,410)	
Net cash generated from/(used in) financing activities			6,818,755		(277,265)
Net (decrease)/increase in cash and cash equivalents			(207,214)		334,892
Cash and cash equivalents at beginning of year			517,819		182,927
Cash and cash equivalents at end of year			310,605		517,819
Relating to:					
Cash at bank and in hand			310,688		517,819
Bank overdrafts included in creditors payable within one year			(83)		-

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

Company information

Burningnight Limited ("the Company") is a limited company domiciled and incorporated in England and Wales. The registered office is 4th Floor, Sovereign House, 1-2 South Parade, Leeds, West Yorkshire, LS1 5QL.

The Group consists of Burningnight Limited and all of its subsidiaries.

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 on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties at fair value. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's loss for the year was £777,563 (2016 - £149,473 profit).

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Burningnight Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 July 2017.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

These financial statements are prepared on the going concern basis. Based on forward cash flow forecasts and budgets, the directors have a reasonable expectation that the group will continue in operational existence for the foreseeable future. However, the directors are aware of certain material uncertainties which may cause doubt on the group's ability to continue as a going concern, due to the group's net current liabilities position at the year end.

1.4 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. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

(Continued)

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:

Software	20% straight line
Website development	20% 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.

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:

Land and buildings Freehold	Nil
Land and buildings Leasehold	10% straight line
Plant and machinery	20% straight line
Fixtures, fittings & equipment	20% straight line
Computer equipment	20% 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 recognised in the profit and loss account.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

Fixed asset investments are stated at cost less provision for diminution in value.

1.8 Impairment of fixed assets

At each reporting end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group 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 group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 trade and other receivables 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.

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.

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

(Continued)

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 group 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 group after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, 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 receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

(Continued)

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 group'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.

1.14 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.

1.15 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account 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 income 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 lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

3 Turnover and other revenue

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

	2017 £	2016 £
Turnover		
Operation of licensed premises	19,001,790	17,379,772

Turnover analysed by geographical market

	2017 £	2016 £
United Kingdom	19,001,790	17,379,772

4 Exceptional costs/(income)

	2017 £	2016 £
Cost of fundamental reorganisation	-	57,346

The cost of reorganisation was in relation to a transfer of debt to equity.

5 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	597,939	266,212
Depreciation of tangible fixed assets held under finance leases	283,288	158,385
Loss on disposal of tangible fixed assets	(157,654)	(234,184)
Amortisation of intangible assets	49,071	833
Cost of stocks recognised as an expense	8,152,708	6,875,317
Operating lease charges	1,341,685	1,175,036

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

6 Auditors' remuneration

	2017 £	2016 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	12,000	10,000
Audit of the company's subsidiaries	24,000	20,000
	<u>36,000</u>	<u>30,000</u>
For other services		
Taxation compliance services	8,000	6,000
All other non-audit services	16,000	13,000
	<u>24,000</u>	<u>19,000</u>

7 Employees

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

	2017 Number	2016 Number
Management	10	6
Office and Admin	25	20
Operational	416	330
Maintenance	1	2
	<u>452</u>	<u>358</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	2,971,237	3,328,197
Social security costs	68,416	101,734
	<u>3,039,653</u>	<u>3,429,931</u>

8 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	<u>114,655</u>	<u>153,592</u>

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

9 Interest payable and similar charges

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	97,429	719
Interest on finance leases and hire purchase contracts	300,398	186,341
Other interest	992,379	309,209
	<u>1,390,206</u>	<u>496,269</u>

10 Amounts written off investments

	2017 £	2016 £
Gain/(loss) on disposal of investments held at fair value	<u>99,585</u>	<u>(10,261)</u>

11 Dividends

	2017 £	2016 £
Interim paid	<u>183,500</u>	<u>95,410</u>
	<u>183,500</u>	<u>95,410</u>

The directors acknowledge illegal dividends were declared and paid. At the time the dividend was paid, the directors were not aware that there were insufficient profits available for distribution and the directors acknowledge that no further distributions can be made until there are sufficient profits available for that purpose.

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

12 Intangible fixed assets

Group	Software	Website development	Total
	£	£	£
Cost			
At 1 August 2016	74,900	12,500	87,400
Additions - separately acquired	170,837	-	170,837
Transfers	20,945	-	20,945
At 31 July 2017	266,682	12,500	279,182
Amortisation and impairment			
At 1 August 2016	-	833	833
Amortisation charged for the year	46,571	2,500	49,071
At 31 July 2017	46,571	3,333	49,904
Carrying amount			
At 31 July 2017	220,111	9,167	229,278
At 31 July 2016	74,900	11,667	86,567

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

12 Intangible fixed assets

(Continued)

Company	Software £
Cost	
At 1 August 2016	-
Additions - separately acquired	53,933
	<hr/>
At 31 July 2017	53,933
	<hr/>
Amortisation and impairment	
At 1 August 2016	-
Amortisation charged for the year	5,700
	<hr/>
At 31 July 2017	5,700
	<hr/>
Carrying amount	
At 31 July 2017	48,233
	<hr/>
At 31 July 2016	-
	<hr/>

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

13 Tangible fixed assets

Group	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost						
At 1 August 2016	872,608	7,304,861	799,699	766,855	319,350	10,063,373
Additions	-	4,301,593	458,770	710,509	67,570	5,538,442
Disposals	-	(12,384)	(139)	(53,059)	-	(65,582)
Transfers	-	(46,391)	-	46,391	(20,945)	(20,945)
Transfer to investment property	(872,608)	(455,081)	-	-	-	(1,327,689)
At 31 July 2017	-	11,092,598	1,258,330	1,470,696	365,975	14,187,599
Depreciation and impairment						
At 1 August 2016	-	491,059	133,950	187,345	181,326	993,680
Depreciation charged in the year	-	480,622	181,561	181,812	37,232	881,227
Eliminated in respect of disposals	-	-	-	(1,671)	-	(1,671)
Transfer to investment property	-	(69,776)	-	-	-	(69,776)
At 31 July 2017	-	901,905	315,511	367,486	218,558	1,803,460
Carrying amount						
At 31 July 2017	-	10,190,693	942,819	1,103,210	147,417	12,384,139
At 31 July 2016	872,608	6,813,802	665,749	579,510	138,024	9,069,693

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

Company	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 August 2016	1,247,114	21,501	121,217	87,396	1,477,228
Additions	876,765	105,579	98,801	1,345	1,082,490
Disposals	-	-	(14,496)	-	(14,496)
Transfer to investment property	(234,673)	-	-	-	(234,673)
At 31 July 2017	1,889,206	127,080	205,522	88,741	2,310,549
Depreciation and impairment					
At 1 August 2016	111,916	13,849	86,832	65,361	277,958
Depreciation charged in the year	88,071	4,661	18,813	11,112	122,657
Transfer to investment property	(51,280)	-	-	-	(51,280)
At 31 July 2017	148,707	18,510	105,645	76,473	349,335
Carrying amount					
At 31 July 2017	1,740,499	108,570	99,877	12,268	1,961,214
At 31 July 2016	1,135,197	7,653	34,385	22,036	1,199,271

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £283,287 (2016: £158,385).

	Group 2017 £	2016 £	Company 2017 £	2016 £
Plant and machinery	2,994,776	860,879	548,485	423,994
Fixtures, fittings & equipment	63,553	1,343,779	-	-
Computer equipment	24,479	22,507	-	-
	3,082,808	2,227,165	548,485	423,994

14 Investment property

	Group 2017 £	Company 2017 £
Fair value		
At 1 August 2016	-	-
Additions through external acquisition	466,734	7,055
Transfers from owner-occupied property	1,257,912	183,392
Disposals	(242,806)	-
At 31 July 2017	1,481,840	190,447

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

14 Investment property

(Continued)

Investment property comprises premises not operated by the group. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 July 2017 by the directors. The directors believe that the fair value of investment property is not materially dissimilar to its historic cost.

15 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	2,666,568	1,209,467	8,616,603	2,813,409
Carrying amount of financial liabilities				
Measured at amortised cost	20,040,796	9,034,201	10,041,699	1,635,631

16 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Finished goods and goods for resale	198,747	138,615	-	-

17 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
Amounts falling due within one year:				
Trade debtors	1,508,210	403,052	256,969	12,043
Amounts due from subsidiary undertakings	-	-	7,614,919	2,735,367
Other debtors	1,375,269	806,415	846,136	65,999
Prepayments and accrued income	4,395,313	2,227,730	675,400	221,816
	7,278,792	3,437,197	9,393,424	3,035,225

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

18 Creditors: falling due within one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Loans and overdrafts	20	1,436,576	1,051,746	280,047	350,000
Obligations under finance leases	21	1,637,455	752,428	167,736	133,038
Other taxation and social security		422,498	915,744	-	112,136
Trade creditors		3,659,787	2,624,148	484,913	178,152
Amounts due to subsidiary undertakings		-	-	1,209,909	653,538
Other creditors		2,677,341	2,369,718	105,437	33,860
Accruals and deferred income		625,185	279,567	251,840	75,228
		<u>10,458,842</u>	<u>7,993,351</u>	<u>2,499,882</u>	<u>1,535,952</u>

19 Creditors: amounts falling due after more than one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Loans and overdrafts	20	8,625,443	1,183,967	7,391,316	-
Obligations under finance leases	21	1,379,009	772,627	150,501	211,815
		<u>10,004,452</u>	<u>1,956,594</u>	<u>7,541,817</u>	<u>211,815</u>

20 Loans and overdrafts

	Group 2017 £	2016 £	Company 2017 £	2016 £
Bank overdrafts	83	-	47	-
Other loans	10,061,936	2,235,713	7,671,316	350,000
	<u>10,062,019</u>	<u>2,235,713</u>	<u>7,671,363</u>	<u>350,000</u>
Payable within one year	1,436,576	1,051,746	280,047	350,000
Payable after one year	8,625,443	1,183,967	7,391,316	-

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

21 Finance lease obligations

	Group 2017 £	2016 £	Company 2017 £	2016 £
Future minimum lease payments due under finance leases:				
Within one year	1,637,455	752,428	167,736	133,038
In two to five years	1,379,009	772,627	150,501	211,815
	<u>3,016,464</u>	<u>1,525,055</u>	<u>318,237</u>	<u>344,853</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Finance lease obligations are secured against the fixed assets to which they relate. In addition, Bell Finance Ltd. have lodged supplemental chattel mortgages.

22 Deferred taxation

Deferred tax assets and liabilities are offset where the group or 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:

Group	Liabilities 2017 £	Liabilities 2016 £
Accelerated capital allowances	-	141,500
	<u>-</u>	<u>141,500</u>
Company	Liabilities 2017 £	Liabilities 2016 £
Accelerated capital allowances	-	41,500
	<u>-</u>	<u>41,500</u>
Movements in the year:	Group 2017 £	Company 2017 £
Liability at 1 August 2016	141,500	41,500
Charge to profit or loss	(141,500)	-
	<u>-</u>	<u>41,500</u>
Liability at 31 July 2017	-	41,500

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

23 Share capital

	Group and company	
	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
9,107 Ordinary shares of 1p each	91	91
1,510,000 Ordinary B shares of £1 each	1,510,000	1,510,000
	<u>1,510,091</u>	<u>1,510,091</u>

24 Share capital

On a show of hands, every Ordinary shareholder shall have one vote and on a vote on a resolution passed by way of a poll taken at a general meeting or a written resolution, every Ordinary shareholder shall have one vote for every Ordinary share which he holds. On a return of capital, any surplus remaining after the repayment to the holders of the B Ordinary shares in an amount equal to the issue price shall be paid to the holders of the Ordinary shares. The Ordinary shares are not redeemable.

On a return of assets, (whether on a liquidation, capital reduction or otherwise) the assets of the company remaining after paying its liabilities shall be applied first in paying to the holders of the B Ordinary shares the amount of £1.00 for each B Ordinary share held by them, The B Ordinary shares carry no voting rights, no dividend rights and are not redeemable. The B Ordinary shares do not entitle the holders thereof to attend or vote at a general meeting.

25 Financial commitments, guarantees and contingent liabilities

National Westminster Bank plc hold an intercompany guarantee between Burningnight Limited and group companies Burningnight (Services) Limited, Cornertrack Limited and B&W Logistics Limited. The group had credit balances with National Westminster Bank plc of £52 at the year end.

Included in creditors falling due after more than one year is a balance of £7,391,316 due to Crowdstacker Corporate Services Limited in respect of a crowd funding loan. Crowdstacker Corporate Services Limited hold a fixed and floating charge over the assets of Burningnight Limited and group companies Burningnight (Services) Limited and Cornertrack Limited.

Included in creditors is a balance of £739,583 due to Ablrate Assets Limited, of which £62,504 is due within one year and £677,079 is due after more than one year. Ablrate Assets Limited hold a floating charge over the assets of group company Startermode Limited.

Included in creditors is a further £173,333 due to Ablrate Assets Limited, of which £86,667 is due within one year and £86,667 is due after more than one year. Ablrate Assets Limited hold a floating charge over the assets of group company B&W Logistics Limited.

Included in trade creditors and other loans are balances of £237,480 and £373,773 respectively, due to Carlsberg UK Limited. Carlsberg UK Limited hold a fixed charge over group company Cornertrack Limited.

Included in other loans is a balance of £175,000 due to Access Property Finance Limited. This balance is secured against investment property held by group company Cornertrack Limited with a book value of £255,877.

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

26 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Within one year	1,320,312	1,121,260	-	-
Between two and five years	5,323,085	4,485,040	-	-
In over five years	14,444,676	9,528,565	-	-
	<u>21,088,073</u>	<u>15,134,865</u>	<u>-</u>	<u>-</u>

27 Events after the reporting date

On 30 April 2018 group company B&W Logistics Limited was sold for consideration of £1. As at 31 July 2017, B&W Logistics Limited had a net liabilities position of £2,413,934. As at 31 July 2017, B&W Logistics Limited had a net balance of £5,180,728 due to Burningnight Group companies.

On 12 February 2018 the group acquired Visionary Leisure Limited. Visionary Leisure Limited then acquired the assets of B&W Logistics Limited in lieu of balances owed to Burningnight Group companies.

On 21 June 2018, a fixed and floating charge was created against B&W Logistics Limited in favour of Access Commercial Investors 5 Limited. On 21 June 2018, O'Haras Limited were appointed administrators of B&W Logistics Limited.

28 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2017 £	2016 £
Aggregate compensation	<u>172,988</u>	<u>137,015</u>

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

28 Related party transactions

(Continued)

During the year the group was invoiced £113,385 (2016: £88,955) in respect of IT services provided by Power EPOS Limited (formerly Tankard Services Limited), a company under the common control of the director Mr A Harper and former director Mr J Tankard up until 5 December 2017. The balance due from Power EPOS Limited at the year end was £464 (2016: £11,997).

During the year the group was invoiced £72,819 (2016: £86,859) in respect of accountancy services provided by Pickles Financial Solutions Limited, a company owned by the former director Mr C Pickles. The balance due to Pickles Financial Solutions Limited at the year end was £Nil (2016: £5,000).

During the prior year freehold property with a book value of £514,187 was sold to the Harper/Pickles SIPP for proceeds of £590,000.

During the current year freehold property with a book value of £237,346 was sold to Allan Harper SIPP for proceeds of £350,000.

29 Directors' transactions

One of the directors has provided personal guarantees against brewery loans included within other loans £282,238 (2016: £239,070) at the year end.

At the balance sheet date the group was owed £35,876 by the directors (2016: £30,117). The balance was interest free and repayable on demand.

Dividends totalling £100,000 (2016 - £60,340) were paid in the year in respect of shares held by the company's directors.

30 Controlling party

The ultimate controlling party is Mr A Harper, by virtue of his shareholding.

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

31 Subsidiaries

Details of the company's subsidiaries at 31 July 2017 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Amountsecured Limited	England and Wales	Property rental	Ordinary	
			100.00	
Anotherdate Limited	England and Wales	Property rental	Ordinary	
			100.00	
B&W Logistics Limited	England and Wales	Running of bars	Ordinary	
				- 100.00
Burningnight (Services) Limited	England and Wales	Group purchasing	Ordinary	
			100.00	
Contactwith Limited	England and Wales	Property rental	Ordinary	
			100.00	
Cornertrack Limited	England and Wales	Group purchasing	Ordinary	
			100.00	
Crossingarea Limited	England and Wales	Property rental	Ordinary	
			100.00	
Olderthan Limited	England and Wales	Property rental	Ordinary	
			100.00	
Organisetime Limited	England and Wales	Property rental	Ordinary	
			100.00	
Physicalstar Limited	England and Wales	Property rental	Ordinary	
			100.00	
Sports Cafe 2008 (Leeds) Limited	England and Wales	Property rental	Ordinary	
			100.00	
Startermode Limited	England and Wales	Property rental	Ordinary	
			100.00	
Supplyof Limited	England and Wales	Property rental	Ordinary	
			100.00	
Tubeapproach Limited	England and Wales	Property rental	Ordinary	
			100.00	
Whichwere Limited	England and Wales	Property rental	Ordinary	
			100.00	
Anotherthetime Limited	England and Wales	Dormant	Ordinary	
			100.00	
Nextaround	England and Wales	Dormant	Ordinary	
			100.00	

BURNINGNIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

32	Cash generated from operations	2017 £	2016 £
	Loss for the year after tax	(1,554,759)	(13,676)
	Adjustments for:		
	Taxation credited	(141,500)	-
	Finance costs	1,390,206	496,269
	Gain on disposal of tangible fixed assets	(157,654)	(234,184)
	Amortisation and impairment of intangible assets	49,071	833
	Depreciation and impairment of tangible fixed assets	881,227	424,597
	Amounts written off investments	(99,585)	10,261
	Movements in working capital:		
	(Increase) in stocks	(60,132)	(31,991)
	(Increase) in debtors	(3,541,547)	(1,303,699)
	Increase in creditors	1,064,546	3,031,698
	Cash (absorbed by)/generated from operations	(2,170,127)	2,380,108
