

**BEDS AND BARS FRANCHISE LIMITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 27 MARCH 2021**

STATEMENT OF FINANCIAL POSITION  
AS AT 27 MARCH 2021

	Note	2021 £	2020 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	4	262,634	313,237
Cash at bank and in hand	5	204,659	154,979
		<u>467,293</u>	<u>468,216</u>
Creditors: amounts falling due within one year	6	(287)	(1,943)
<b>Net current assets</b>		<u>467,006</u>	<u>466,273</u>
<b>Total assets less current liabilities</b>		<u>467,006</u>	<u>466,273</u>
<b>Net assets</b>		<u>467,006</u>	<u>466,273</u>
<b>Capital and reserves</b>			
Called up share capital	7	100	100
Profit and loss account		466,906	466,173
		<u>467,006</u>	<u>466,273</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2021.

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**Mr K C Knowles**  
Director

The notes on pages 2 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 27 MARCH 2021**

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**1. General information**

Beds and Bars Franchise Ltd is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Overlord House, 1D Colet Gardens, Hammersmith, London, England, W14 9DH.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 27 MARCH 2021**

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**2. Accounting policies (continued)**

**2.2 Going concern**

The financial statements have been prepared on a going concern basis.

The company is a member of the Beds & Bars Group. The Group is financed by long term funding of £11 million from HSBC (drawn down on 31 March 2015) with further facilities of £500k drawn down in May 2016, £5 million draw down in August 2018 and £4.2 million drawn down in December 2016.

The directors have prepared a detailed business plan including cash flow projections which indicate that the group will meet the revised measurement requirements of HSBC.

Having considered potential risks and the current economic environment, the directors have a reasonable expectation that the group and company will achieve the forecasted performance and has adequate resources to continue in operational existence for the foreseeable future.

The Company has paid special attention to the COVID-19 pandemic and the associated impact on the business. This includes:

The impact of government-imposed travel restrictions on our continued operation and those of our suppliers;

The economic and social impact on our existing and potential customer base and the resulting fall in revenue.

The current and future financial position of the Company, its cash flows and liquidity position have been reviewed by the directors. These have been prepared with a very prudent view on the likely gradual recovery in each of the Company's operating locations and have been stress tested to ensure that cash flows and liquidity are sufficiently robust to allow the Company to continue to trade during this period.

Having considered potential risks and the current economic environment, the Directors have a reasonable expectation that the group and company will have adequate resources to continue in operational existence for the foreseeable future.

Based on the foregoing, the directors believe that it remains appropriate to adopt the going concern basis of accounting in preparing the financial statements.

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**2. Accounting policies (continued)**

**2.3 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**2.4 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.

On entering an arrangement with the company, a franchisee pays an initial setup fee. This is used to cover the company's cost in the initial setup of the franchisee on the advertising platforms, setup of a website on the behalf of the franchisee, and other initial services as the company agrees. Turnover is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and material, as a proportion of total costs. Where the outcome cannot be estimated reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

The company charges commission on the bookings made through the Company's website within the agent relationship with the franchisee. In the event that a booking is cancelled, the company's commission element is not refundable. Therefore, commission is recognised on the date that the booking is made.

**2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 27 MARCH 2021**

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**2. Accounting policies (continued)**

**2.6 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.7 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.8 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.9 Current and Deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 27 MARCH 2021**

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**2. Accounting policies (continued)**

**2.10 Financial Instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised 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 trade and other debtors, loans to fellow group companies, 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

**Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, and loans from fellow group 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.

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

**Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs.

**NOTES TO THE FINANCIAL STATEMENTS  
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**3. Employees**

During the current and previous accounting period the only employees of the company were the directors. The directors were employed by other entities in the group and did not receive remuneration directly in respect of their services as directors of the company.

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
	<u>3</u>	<u>3</u>
Directors		

**4. Debtors**

	2021 £	2020 £
Trade debtors	5,360	56,453
Amounts owed by group undertakings	256,710	256,710
Other debtors	564	74
	<u>262,634</u>	<u>313,237</u>

**5. Cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	204,659	154,979
	<u>204,659</u>	<u>154,979</u>

**6. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Amounts owed to group undertakings	287	362
Other creditors	-	1,581
	<u>287</u>	<u>1,943</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Share capital**

	<b>2021</b>	2020
	<b>£</b>	£
<b>Allotted, called up and fully paid</b>		
100 (2020 - 100) Ordinary shares of £1.00 each	<u><b>100</b></u>	<u>100</u>

Each Ordinary share carries the right to one vote, and full rights to dividends and capital distributions (including upon winding up).

**8. Related party transactions**

At the year end the Company was owed £256,710 (2020: £256,710) by Beds & Bars Group Limited.

The group has taken advantage of the exemption available under FRS 102 'Related Party Transactions' from disclosing related party transactions with other Group entities that are wholly owned.

**9. Post balance sheet events**

The effect of the Covid 19 pandemic continues to be felt after the year end. We have assessed its operational and financial impact on the Company and continue to take measures to monitor and mitigate the effect of Covid 19.

Revenues had recovered to over 90% of 2019 benchmark by 11/2021, but the discovery of new strains of COVID continue to make forecasting difficult. The Board are considering all options to safeguard the future of the group and the well-being of all our people.

Depending on the duration of the Covid 19 crisis and continued negative impact on economic activity, the Company might experience further negative results. We also refer to note 2.2 on Going concern.

Post the make-up date of these accounts the Group has revised its bank lines and converted the CBILS Government backed loan of £9m to a RLS of £10m.

The directors have concluded that no other material events have occurred since the date of approval of these financial statements that would affect the financial statements of the Company.

**10. Parent company**

The parent of the smallest and largest group for which consolidated accounts are drawn up of which the company is a member is Beds & Bars Group Limited, a company with a registered office of Overlord House, 1D Colet Gardens, Hammersmith, London, England, W14 9DH.

Beds & Bars Group Limited is the ultimate parent company.

The ultimate controlling party is Mr K C Knowles.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**11. Auditors' information**

The auditors' report on the financial statements for the year ended 27 March 2021 was unqualified.

The audit report was signed on 23 December 2021 by Karanjit Gill (Senior statutory auditor) on behalf of Elman Wall Limited.

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.