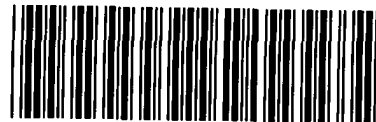


**THE BLACK DRESS COMPANY (UK) LIMITED
ANNUAL REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

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**THE BLACK DRESS COMPANY (UK) LIMITED
ANNUAL REPORT AND UNAUDITED ACCOUNTS
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**THE BLACK DRESS COMPANY (UK) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 28 FEBRUARY 2019**

Directors	Mark Christian Evans Duncan Alasdair Gregson Ian Micheal Langley David Walters
Company Number	03879220 (England and Wales)
Registered Office	THE OLD SCHOOL HOUSE THIRSK STREET ARDWICK GREEN MANCHESTER M12 6PN
Accountants	Enso Accountants Ltd

THE BLACK DRESS COMPANY (UK) LIMITED
(COMPANY NO: 03879220 ENGLAND AND WALES)
DIRECTORS' REPORT

The directors present their report and accounts for the year ended 28 February 2019.

Directors

The following directors held office during the whole of the period:

Mark Christian Evans
Duncan Alasdair Gregson
Ian Micheal Langley
David Walters

Statement of directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law, the directors have elected to prepare the accounts 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 accounts unless they are 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 accounts, the directors are required to:


- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 accounts comply with the Companies Act 2006. They are 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.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Signed on behalf of the board of directors



Mark Christian Evans
Director

Approved by the board on: 6th June 2019

THE BLACK DRESS COMPANY (UK) LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2019

	2019	2018
	£	15 months £
Turnover	988,712	1,713,375
Cost of sales	-747,385	-1,501,255
Gross profit	241,327	212,120
Administrative expenses	-382,802	-1,019,016
Operating loss before exceptional costs	-141,475	-806,896
Exceptional costs	-90,096	-
Operating loss	-231,571	-806,896
Interest payable	-230,816	-197,742
Loss on ordinary activities before taxation	-462,387	-1,004,638
Tax repayment	62,670	63,585
Loss for the financial year	-399,717	-941,053

THE BLACK DRESS COMPANY (UK) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	4	3,517	5,201
Current assets			
Inventories	5	-	15,000
Debtors	6	34,042	126,125
Cash at bank and in hand		27,341	29,106
		<u>61,383</u>	<u>170,231</u>
Creditors: amounts falling due within one year	7	(615,818)	(1,170,542)
Net current liabilities		<u>(554,435)</u>	<u>(1,000,311)</u>
Total assets less current liabilities		(550,918)	(995,110)
Creditors: amounts falling due after more than one year	8	(2,173,290)	(1,329,381)
Net liabilities		<u>(2,724,208)</u>	<u>(2,324,491)</u>
Capital and reserves			
Called up share capital		100	100
Share premium		299,960	299,960
Profit and loss account		(3,024,268)	(2,624,551)
Shareholders' funds		<u>(2,724,208)</u>	<u>(2,324,491)</u>

For the year ending 28 February 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - Small Entities.

Approved by the Board on 6th June 2019.

Mark Christian Evans
Director



Company Registration No. 03879220

THE BLACK DRESS COMPANY (UK) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

1 Statutory information

THE BLACK DRESS COMPANY (UK) LIMITED is a private company, limited by shares, registered in England and Wales, registration number 03879220. The registered office is THE OLD SCHOOL HOUSE, THIRSK STREET, ARDWICK GREEN, MANCHESTER, M12 6PN.

2 Compliance with accounting standards

The accounts have been prepared in accordance with the provisions of FRS 102 Section 1A Small Entities. There were no material departures from that standard.

3 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of preparation

The accounts have been prepared under the historical cost convention.

Income Recognition

Income is recognised when goods have been delivered to customers such that risks and rewards of ownership have transferred to them.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of these financial statements. Therefore they continue to adopt the going concern basis in preparing the annual financial statements.

Presentation currency

The accounts are presented in £ sterling.

Tangible fixed assets and depreciation

Tangible assets are included at cost less depreciation and impairment. Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives:

Fixtures & fittings	5 Years Straight Line
Computer equipment	3 Years Straight Line

Pension costs

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are recognised in the profit and loss account when due.

Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax assets and liabilities are not discounted.

THE BLACK DRESS COMPANY (UK) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

Financial instruments

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit on a straight line basis over the lease term.

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease at a constant proportion of the outstanding balance of capital repayments.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Finance Costs

Finance costs are charged to the statement of income and retained earnings profit over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Exceptional Costs

Exceptional items as described above are disclosed on the face of the income statement.

4 Operating loss	2019	2018
	£	£
Loss is stated after charging:		
Depreciation of tangible fixed assets	1,684	2,534

The operating loss includes non recurring exceptional costs of £90,096. These include irrecoverable debtors of £78,347, professional fees relating to the prior year of £2,522 and stock write-offs of £9,227.

THE BLACK DRESS COMPANY (UK) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

5 Tangible fixed assets

	Fixtures & fittings £	Computer equipment £	Total £
Cost			
At 1 March 2018	7,370	1,904	9,274
At 28 February 2019	7,370	1,904	9,274
Depreciation			
At 1 March 2018	2,408	1,665	4,073
Charge for the year	1,474	210	1,684
At 28 February 2019	3,882	1,875	5,757
Net book value			
At 28 February 2019	3,488	29	3,517
At 28 February 2018	4,962	239	5,201

6 Inventories

	2019 £	2018 £
Finished goods	-	15,000
	-	15,000

7 Debtors

	2019 £	2018 £
Trade debtors	-	84,377
Accrued income and prepayments	3,382	-
Other debtors	30,660	41,748
	34,042	126,125

8 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	190,003	309,335
Taxes and social security	3,623	6,718
Loans (see note 10)	78,690	536,830
Accruals	343,502	316,368
	615,818	1,170,541

9 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other creditors	78,290	40,412
Loans (see note 10)	2,095,000	1,288,969
	2,173,290	1,329,381

THE BLACK DRESS COMPANY (UK) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

10 Loans

Loans repayable included within creditors are analysed as follows:

	2019 £	2018 £
Wholly repayable within five years	<u>2,173,690</u>	<u>1,825,799</u>

Loans totalling £1,400,000 (2016 - £1,250,000) are secured by a fixed and floating charge over the company's assets and undertaking.

11 Transactions with related parties

The company has a revolving credit facility with certain directors. The maximum facility is £250,000 and is available until 31 December 2020. Interest of 10% per annum is payable on a quarterly basis. The capital balance at period end is £250,000 (2018 - £250,000) and interest costs for the period amount to £28,551 (2018 - £20,898). The directors have proposed to convert this debt into equity post period end (see note 12).

Certain directors have also invested in loan notes which are repayable on 31 December 2020 and bear interest at 10% per annum payable on redemption. The capital balance on these loan notes at period end is £445,000 (2016 - £295,000) and interest costs for the period amount to £37,876 (2018 - £28,445). The directors have proposed to convert this debt into equity post period end (see note 12).

The company has borrowed £9,093 (2018 - £24,920) from certain directors through director loan accounts which are repayable on demand. The directors have proposed to convert this debt into equity post period end (see note 12).

The company has two loans from an external shareholder. There is a £250,000 (2018 - £250,000) short-term loan repayable on 30 June 2018 which bears interest at 10% per annum payable on a quarterly basis and a £1,150,000 (2018 - £1,000,000) long-term loan which also bears interest at 10% per annum payable on a quarterly basis. Interest costs on these loans for the period amount to £149,169 (2018 - £133,828). The external shareholder has proposed to convert the short-term loan and related interest up to conversion date into equity post period end. They have also proposed to convert the interest on the long-term loan to conversion date to equity and vary the terms of the loan to be a five year convertible loan with interest at 10% from March 2019 (see note 12).

12 Post balance sheet events

In addition, the directors and shareholders have proposed to convert a significant proportion of the debt and related interest owed to them into equity and the external shareholder has proposed to vary the terms of the long-term loan (as detailed in note 8 above). The balance at 28 February on the debts and interest which are proposed to be converted into equity amounts to £1,054,697.

13 Average number of employees

During the year the average number of employees was 8 (2018: 11).

THE BLACK DRESS COMPANY (UK) LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2019

	2019 £	2018 15 months £
Turnover		
Sales	988,712	1,713,375
Cost of sales		
Purchases	747,385	1,501,255
Gross profit	241,327	212,120
Administrative expenses		
Labour	148,237	370,665
Transactional Fees	42,571	74,932
Software	44,560	115,176
Depreciation	1,684	2,534
General Costs	92,842	161,787
Marketing	52,908	293,922
	382,802	1,019,016
Operating loss	(141,475)	(806,896)
Exceptional Costs	90,096	-
Finance Costs	230,816	197,742
	320,912	197,742
Loss on ordinary activities before taxation	(462,387)	(1,004,638)