

Registration number: 05054052

The Aviary (Trading) Limited

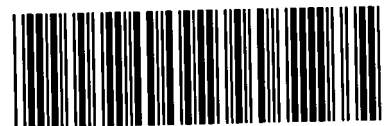
Annual Report and Financial Statements

for the Year Ended 31 December 2017



Sobell Rhodes LLP
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Elstree, Borehamwood
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THURSDAY



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The Aviary (Trading) Limited

Contents

Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3 to 8

The Aviary (Trading) Limited

Company Information

Director S Warr

Company secretary S Gordon

Registered office Clarendon House
Shenley Road
Borehamwood
Herts
WD6 1AG

Auditors Sobell Rhodes LLP
Ground Floor
Unit 501 Centennial Park
Centennial Avenue
Elstree, Borehamwood
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The Aviary (Trading) Limited
(Registration number: 05054052)
Balance Sheet as at 31 December 2017

			(As restated)
	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	6,500	12,444
Current assets			
Stocks	5	6,229	9,269
Debtors	6	41,467	28,795
Cash at bank and in hand		<u>111,316</u>	<u>79,452</u>
		159,012	117,516
Creditors: Amounts falling due within one year	7	<u>(568,317)</u>	<u>(483,057)</u>
Net current liabilities		<u>(409,305)</u>	<u>(365,541)</u>
Net liabilities		<u>(402,805)</u>	<u>(353,097)</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>(402,905)</u>	<u>(353,197)</u>
Total equity		<u>(402,805)</u>	<u>(353,097)</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 6-11-18



S Warr
Director

The Aviary (Trading) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Clarendon House
Shenley Road
Borehamwood
Herts
WD6 1AG

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

As at 31 December 2017 the company incurred a net loss of £49,708 and the company's current liabilities exceed its current assets by £409,305. The company owes to its parent and fellow subsidiaries £226,796.

The directors are of the opinion that this will not be demanded by the parent or subsidiary companies unless the company has sufficient funds to make a repayment.

The company has recognised a VAT liability amounting to £275,751 which is in respect of assessments raised by HM Revenue & Customs. The assessments relate to transactions which having taken advice the director considers are outside the scope of VAT.

The group have challenged the assessments and the matter is expected to be subject to review through the judicial process. The director is of the opinion this matter will not be resolved within the next 12 months.

The director has considered the group forecasts of the business for the period to 31 October 2019. Based on these forecasts, which include no payments to HMRC in respect of its VAT liability, the director has a reasonable expectation that the group will have access to adequate resources to continue trading for the foreseeable future. Accordingly, the group continues to adopt the going concern basis in preparing the financial statements.

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 6/11/18 was Selwyn Arnold, who signed for and on behalf of Sobell Rhodes LLP.

The Aviary (Trading) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the operation of a nightclub in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	15% straight line

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

The Aviary (Trading) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Trade creditors

Trade creditors 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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 12 (2016 - 12).

The Aviary (Trading) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

4 Tangible assets

	Fixtures and fittings £	Total £
Cost or valuation		
At 1 January 2017	461,285	461,285
At 31 December 2017	461,285	461,285
Depreciation		
At 1 January 2017	448,841	448,841
Charge for the year	12,444	12,444
Impairment	(6,500)	(6,500)
At 31 December 2017	454,785	454,785
Carrying amount		
At 31 December 2017	6,500	6,500
At 31 December 2016	12,444	12,444

5 Stocks

	2017 £	2016 £
Other inventories	6,229	9,269

6 Debtors

	2017 £	2016 £
Trade debtors	330	424
Amounts owed by related parties	14,437	-
Prepayments	12,131	18,276
Other debtors	14,569	10,095
	41,467	28,795

The Aviary (Trading) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

7 Creditors

	(As restated)	
	2017 £	2016 £
Due within one year		
Trade creditors	22,400	29,570
Amounts owed to related undertakings	226,796	138,861
Taxation and social security	30,892	31,254
Other creditors	288,229	283,372
	<u>568,317</u>	<u>483,057</u>

8 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

9 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of operating lease commitments not included in the balance sheet is £651,000 (2016 - £744,000). The remainder of the lease period is 7 years.

The company has issued together with the parent and fellow named subsidiaries a cross guarantee to Barclays Bank. In addition, the director has also issued a personal guarantee to the bank with regard to the group facilities.

10 Parent and ultimate parent undertaking

The company's immediate parent is Koru Trading Ltd, incorporated in England & Wales.

The ultimate parent is Koru (Holdings) Ltd, incorporated in England & Wales.

11 Non adjusting events after the financial period

The company transferred its trade and assets to Platinum Lace (Leicester) Limited on 1 April 2018.

The Aviary (Trading) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

12 Prior year adjustment

The financial statements for the prior year have been restated to recognise that the income relating to chip commission has been transferred to the relevant companies within the Koru Group in accordance with the executed transfer agreement. The recognition of these events has resulted in the re-statement on the Balance Sheet and also the Profit and loss account. The effect of the prior year adjustment on the profit and loss and balance sheet results is summarised below:

Effect on Profit or Loss	£
Loss previously reported for the year ended 31 December 2016	(91,263)
Income from chip commission	(59,596)
Reversal of overprovision of VAT	61,432
Reversal of overprovision of trademark cost	17
Restated loss for the year ended	<u>(89,410)</u>
Effect on Balance Sheet	£
Capital and reserves previously reported for the year ended 31 December 2016	(354,950)
Amounts owed to group companies	(59,579)
Reversal of overprovision of VAT	61,432
Restated capital and reserves for the year ended	<u>(353,097)</u>