

---

**THE AVIARY (TRADING) LIMITED**

---

**FINANCIAL STATEMENTS**  
**INFORMATION FOR FILING WITH THE REGISTRAR**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

FRIDAY



A20 \*A882Z92W\* #384  
21/06/2019  
COMPANIES HOUSE

**THE AVIARY (TRADING) LIMITED**  
**REGISTERED NUMBER: 05054052**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	4	-	6,500
		<u>-</u>	<u>6,500</u>
<b>Current assets</b>			
Stocks		-	6,229
Debtors: amounts falling due within one year	5	11,924	41,466
Cash at bank and in hand	6	41,856	111,316
		<u>53,780</u>	<u>159,011</u>
Creditors: amounts falling due within one year	7	(476,739)	(568,316)
<b>Net current liabilities</b>		<u>(422,959)</u>	<u>(409,305)</u>
<b>Total assets less current liabilities</b>		<u>(422,959)</u>	<u>(402,805)</u>
<b>Net liabilities</b>		<u>(422,959)</u>	<u>(402,805)</u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		(423,059)	(402,905)
		<u>(422,959)</u>	<u>(402,805)</u>

The financial statements 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.

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 income and retained earnings 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 by:



.....  
**S Warr**  
 Director

Date: 12 June 2019

The notes on pages 3 to 10 form part of these financial statements.

---

**THE AVIARY (TRADING) LIMITED**  
**REGISTERED NUMBER: 05054052**

---

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2018**

---

---

## THE AVIARY (TRADING) LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

---

#### 1. General information

The Aviary (Trading) Limited is a company limited by shares incorporated in England and Wales within the United Kingdom. The address of the registered office is Kinetic Business Centre, Theobald Street, Borehamwood, Herts, WD6 4PJ.

The Company's principal activity is that of licensed clubs.

The financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £.

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

#### 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 2.2 Going concern

As at 31 December 2018 the Company incurred a net loss of £55,479 before exceptional intercompany debt write offs of £35,325 and the Company's current liabilities exceed its current assets by £422,959.

The Company owes to its parent and fellow subsidiaries £195,510. 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 £279,729 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 May 2020. 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.

---

## THE AVIARY (TRADING) LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

---

#### 2. Accounting policies (continued)

##### 2.3 Revenue

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.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### 2.4 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings 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.

---

## THE AVIARY (TRADING) LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

---

#### 2. Accounting policies (continued)

##### 2.5 Pensions

###### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### 2.6 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, 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 balance sheet date in the countries where the Company operates and generates income.

##### 2.7 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

##### 2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 15-20% straight line
-----------------------	------------------------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

---

## THE AVIARY (TRADING) LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

---

#### 2. Accounting policies (continued)

##### 2.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### 2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

##### 2.11 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.

##### 2.12 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.

##### 2.13 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.

##### 2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid

---

THE AVIARY (TRADING) LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

---

2. Accounting policies (continued)

2.14 Financial instruments (continued)

or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2017 - 12).

4. Tangible fixed assets

	Fixtures and fittings £
At 1 January 2018	461,285
Disposals	(461,285)
At 31 December 2018	-
At 1 January 2018	454,785
Disposals	(454,785)
At 31 December 2018	-
<b>Net book value</b>	
At 31 December 2018	-
At 31 December 2017	6,500

5. Debtors

	2018 £	2017 £
Trade debtors	-	330
Amounts owed by group undertakings	11,923	14,437
Other debtors	-	14,569



---

**THE AVIARY (TRADING) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**5. Debtors (continued)**

Prepayments and accrued income	1	12,130
	<u>11,924</u>	<u>41,466</u>

**6. Cash and cash equivalents**

	2018 £	2017 £
Cash at bank and in hand	41,856	111,316
	<u>41,856</u>	<u>111,316</u>

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

	2018 £	2017 £
Trade creditors	-	22,400
Amounts owed to group undertakings	195,510	226,796
Other taxation and social security	-	30,891
Accruals and deferred income	281,229	288,229
	<u>476,739</u>	<u>568,316</u>

**8. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £504 (2017: £1,789).

**9. Other financial commitments**

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.

---

**THE AVIARY (TRADING) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**10. Controlling party**

The Company's ultimate parent company for which consolidated financial statements are drawn up is Koru (Holdings) Limited. Its registered office address is Kinetic Business Centre, Theobald Street, Borehamwood, Herts, WD6 4PJ.

---

THE AVIARY (TRADING) LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

---

**11. Auditors' information**

The auditors' report on the financial statements for the year ended 31 December 2018 was unqualified.

In their report, the auditors emphasised the following matter without qualifying their report:

.Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that the Company incurred a net loss of £55,479 before exceptional intercompany debt write offs of £35,325 during the year ended 31 December 2018 and, as of that date the Company's current liabilities exceeded its current assets by £422,959.

The Company and other group companies are also in dispute with HM Revenue & Customs. The directors consider the estimated liability being claimed as excessive and assessments raised relate to transactions which are outside the scope of VAT. Should the claim by HM Revenue & Customs become payable, the total liability of the Company in this respect would be £279,729. This has been recognised in the various financial statements of the group companies including this company.

As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The audit report was signed on 13 June 2019 by Alexander Bottom ACA (Senior Statutory Auditor) on behalf of Hillier Hopkins LLP.