

OKN1 LIMITED

**Company Registration Number:
02928153 (England and Wales)**

Unaudited statutory accounts for the year ended 31 July 2020

Period of accounts

Start date: 1 August 2019

End date: 31 July 2020

OKN1 LIMITED

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OKN1 LIMITED

Directors' report period ended 31 July 2020

The directors present their report with the financial statements of the company for the period ended 31 July 2020

Principal activities of the company

The company's principal activities is to operate as a commercially trading restaurant under the brand OKN1, providing high quality food, job opportunities and training opportunities for the College's students. OKN1 Limited is a wholly owned subsidiary of New City College.

Political and charitable donations

No political or charitable donations were made during the year. This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Additional information

RESULTS, DIVIDENDS AND TRANSFERS TO RESERVESThe Directors do not recommend the payment of a dividend for the year. The Directors have no equity interest in the company and there is Directors' and Officers' liability insurance cover paid for by the parent undertaking.

FINANCIAL RISK MANAGEMENTThe company's operations expose it to a variety of financial risks. The company has in place a risk management programme that seeks to mitigate the effects of risk on the financial performance of the company. Given the size of the company, the Directors have not delegated the responsibility of monitoring financial risk to a sub-committee of the board. The policies set by the board of Directors are implemented by the company's management team and its employees. The principal financial risk remains the impact of the general economic conditions for a trading and training restaurant. The Directors have set targets for future activity. Whilst the current level of activity suggests that these targets are achievable, they remain mindful that changes in general business confidence can quickly translate into reduced spending and, consequently, the number of customers. The Directors manage financial risk through continued business planning and monitoring of actual customers numbers and results against budgets and projections. The Directors have managed the business during the COVID 19 pandemic abiding within government guidelines and accessing the HMRC support through the 80% pay relief. The operations resumed successfully after the national lockdown, implementing all necessary safety measures for customers and staff.

GOING CONCERNNotwithstanding net current liabilities of £858,577 as at 31 July 2020, a loss for the year then ended of £321,860 and operating cash outflows for the year of £127,216, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its immediate parent company, New City College, to meet its liabilities as they fall due for that period. Those forecasts are dependent on New City College not seeking repayment of the amounts currently due to the group, which at 31 July 2020 amounted to £875,763, and providing additional financial support during that period. New City College has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. To confirm the Company as a going concern, the Directors have assessed the financial forecast for the next 12 months, have gained sufficient assurance that the company is able to resume operations as soon as Government restrictions are lifted, and during the lockdown taking all necessary steps to remain financially viable. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

DISCLOSURE OF INFORMATION TO AUDITORThe directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors

The directors shown below have held office during the whole of the period from **1 August 2019 to 31 July 2020**

Gerard Paul McDonald
Suriyakumar Araniyasundaran
Janet Smith

The above report has been prepared in accordance with the special provisions in part 15 of the Companies Act 2006

This report was approved by the board of directors on **15 December 2020**

And signed on behalf of the board by:
Name: Gerard Paul McDonald

Status: Director

OKN1 LIMITED

Profit And Loss Account for the Period Ended 31 July 2020

	2020	2019
	£	£
Turnover:	129,071	94,568
Cost of sales:	(383,883)	(81,978)
Gross profit(or loss):	<u>(254,812)</u>	<u>12,590</u>
Distribution costs:	0	0
Administrative expenses:	(126,636)	(150,333)
Other operating income:	59,588	0
Operating profit(or loss):	<u>(321,860)</u>	<u>(137,743)</u>
Interest receivable and similar income:	0	13,328
Interest payable and similar charges:	0	0
Profit(or loss) before tax:	<u>(321,860)</u>	<u>(124,415)</u>
Tax:	0	0
Profit(or loss) for the financial year:	<u>(321,860)</u>	<u>(124,415)</u>

OKN1 LIMITED

Balance sheet

As at 31 July 2020

	<i>Notes</i>	<i>2020</i>	<i>2019</i>
		£	£
Called up share capital not paid:		0	0
Fixed assets			
Intangible assets:		0	0
Tangible assets:	3	254,331	257,989
Investments:		0	0
Total fixed assets:		<u>254,331</u>	<u>257,989</u>
Current assets			
Stocks:	4	3,379	6,395
Debtors:	5	19,081	8,064
Cash at bank and in hand:		16,573	143,789
Investments:		0	0
Total current assets:		<u>39,033</u>	<u>158,248</u>
Prepayments and accrued income:		0	0
Creditors: amounts falling due within one year:	6	(897,610)	(698,623)
Net current assets (liabilities):		<u>(858,577)</u>	<u>(540,375)</u>
Total assets less current liabilities:		<u>(604,246)</u>	<u>(282,386)</u>
Creditors: amounts falling due after more than one year:		0	0
Provision for liabilities:		0	0
Accruals and deferred income:		0	0
Total net assets (liabilities):		<u>(604,246)</u>	<u>(282,386)</u>
Capital and reserves			
Called up share capital:		49,000	49,000
Share premium account:		0	0
Other reserves:		0	0
Profit and loss account:		(653,246)	(331,386)
Total Shareholders' funds:		<u>(604,246)</u>	<u>(282,386)</u>

The notes form part of these financial statements

OKN1 LIMITED

Balance sheet statements

For the year ending 31 July 2020 the company was entitled to exemption 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 and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

**This report was approved by the board of directors on 15 December 2020
and signed on behalf of the board by:**

Name: Gerard Paul McDonald
Status: Director

The notes form part of these financial statements

OKN1 LIMITED

Notes to the Financial Statements

for the Period Ended 31 July 2020

1. Accounting policies

Basis of measurement and preparation

These financial statements have been prepared in accordance with the provisions of Section 1A (Small Entities) of Financial Reporting Standard 102

Turnover policy

Turnover represents income earned during the year from the company's principal activities. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be measured reliably. It is measured at fair value of the consideration received or receivable, excluding discounts, rebates and value added tax. Turnover is derived solely from within the United Kingdom.

Tangible fixed assets depreciation policy

Assets are depreciated on a straight line basis over their remaining useful economic life as follows: Major refurbishment and adaptations 10% pa Furniture and Fittings 10% pa Equipment 20% pa

Other accounting policies

Critical accounting estimates and areas of judgement Preparation of the financial statements requires the Directors to make significant judgements and estimates. In the case of the company the areas affected by judgement and estimation are the estimation of the expected useful lives of tangible assets and the related calculation of depreciation, the calculation of any stock provision required and the estimation and recognition of accrued expenditure. There are no key assumptions or areas of uncertainty where there is a significant risk of a material adjustment to the carrying value of the assets and liabilities of the company being required during the financial year ending 31 July 2020. The Company has reviewed all relevant accounting policies and are able to confirm no material variations are required due to the COVID 19 pandemic. Statement of cash flows The financial statements do not include a statement of cash flows because the company, as a small entity, is exempt from the requirement to prepare such a statement under Section 1A of FRS 102. Going concern Notwithstanding net current liabilities of £858,577 as at 31 July 2020, a loss for the year then ended of £321,860 and operating cash outflows for the year of £127,216, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its immediate parent company, New City College, to meet its liabilities as they fall due for that period. Those forecasts are dependent on New City College not seeking repayment of the amounts currently due to the group, which at 31 July 2020 amounted to £875,763, and providing additional financial support during that period. New City College has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. To confirm the Company as a going concern, the Directors have assessed the financial forecast for the next 12 months, have gained sufficient assurance that the company is able to resume operations as soon as Government restrictions are lifted, and during the lockdown taking all necessary steps to remain financially viable. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis. Debtors Debtors are recognised at their settlement amount, less any provision for non-recoverability. They have been discounted to the present value of the future cash receipt where such discounting is material. Cash at bank and in hand Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Creditors and provisions Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the company anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material. Related Party transactions During the year ended 31 July 2020, the company is a wholly-owned subsidiary of New City College and has taken advantage of the exemption included within FRS 102 not to disclose transactions with entities that are part of the group qualifying as related parties. Hence, transactions with New City College are not separately disclosed. The consolidated financial statements in which the company is included are publically available. The use of the premises and the related costs are charged on a nominal basis to reflect the benefits gained by the College in training and working opportunities for the College students.

OKN1 LIMITED

Notes to the Financial Statements for the Period Ended 31 July 2020

2. Employees

	<i>2020</i>	<i>2019</i>
Average number of employees during the period	0	0

The Company had no employees during the year 2020. Staff costs are recharged by the parent company, New City College (2019 – none).

OKN1 LIMITED

Notes to the Financial Statements

for the Period Ended 31 July 2020

3. Tangible assets

	Land & buildings	Plant & machinery	Fixtures & fittings	Office equipment	Motor vehicles	Total
Cost	£	£	£	£	£	£
At 1 August 2019	64,050		91,230	105,044		260,324
Additions			27,512	9,500		37,012
Disposals						
Revaluations						
Transfers						
At 31 July 2020	<u>64,050</u>		<u>118,742</u>	<u>114,544</u>		<u>297,336</u>
Depreciation						
At 1 August 2019	391		538	1,406		2,335
Charge for year	6,547		11,182	22,941		40,670
On disposals						
Other adjustments			581	581		0
At 31 July 2020	<u>6,938</u>		<u>12,301</u>	<u>23,766</u>		<u>43,005</u>
Net book value						
At 31 July 2020	<u>57,112</u>		<u>106,441</u>	<u>90,778</u>		<u>254,331</u>
At 31 July 2019	<u>63,659</u>		<u>90,692</u>	<u>103,638</u>		<u>257,989</u>

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Notes to the Financial Statements for the Period Ended 31 July 2020

4. Stocks

	<i>2020</i>	<i>2019</i>
	£	£
Stocks	3,379	6,395
Payments on account	0	0
Total	<u>3,379</u>	<u>6,395</u>

OKN1 LIMITED

Notes to the Financial Statements

for the Period Ended 31 July 2020

5. Debtors

	<i>2020</i>	<i>2019</i>
	£	£
Trade debtors	0	1,663
Prepayments and accrued income	19,081	1,503
Other debtors	0	4,898
Total	<u>19,081</u>	<u>8,064</u>
Debtors due after more than one year:	0	0

OKN1 LIMITED

Notes to the Financial Statements

for the Period Ended 31 July 2020

6. Creditors: amounts falling due within one year note

	<i>2020</i>	<i>2019</i>
	£	£
Bank loans and overdrafts	0	0
Amounts due under finance leases and hire purchase contracts	0	0
Trade creditors	3,034	26,026
Taxation and social security	8,261	0
Accruals and deferred income	10,552	14,933
Other creditors	875,763	657,664
Total	<u>897,610</u>	<u>698,623</u>

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.