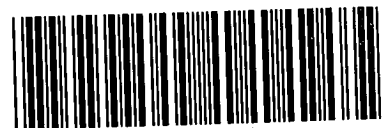


**Flexford Ltd**  
**Unaudited Financial Statements**  
**31 December 2018**

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**Flexford Ltd**  
**Financial Statements**  
**Year ended 31 December 2018**

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# **Flexford Ltd**

## **Officers and Professional Advisers**

### **The board of directors**

K R Spencer  
L Clark

### **Company secretary**

C J Payne

### **Registered office**

45 Westerham Road  
Bessels Green  
Sevenoaks  
Kent  
TN13 2QB

### **Bankers**

National Westminster Bank Plc  
27 South Street  
Worthing  
West Sussex  
BN11 3AR

# **Flexford Ltd**

## **Directors' Report**

### **Year ended 31 December 2018**

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2018.

#### **Principal activities**

The principal activity of the company during the year was that of a hotel, restaurant and bar.

#### **Directors**

The directors who served the company during the year were as follows:

K R Spencer  
L Clark

#### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on ..... and signed on behalf of the board by:



K R Spencer  
Director

Registered office:  
45 Westerham Road  
Bessels Green  
Sevenoaks  
Kent  
TN13 2QB

**Flexford Ltd**  
**Income Statement**  
**Year ended 31 December 2018**

	Note	2018 £	2017 £
<b>Turnover</b>		<b>2,039,429</b>	<b>1,786,402</b>
Cost of sales		<u>(916,689)</u>	<u>(876,814)</u>
<b>Gross profit</b>		<b>1,122,740</b>	<b>909,588</b>
Administrative expenses		<u>(3,137,749)</u>	<u>(2,735,977)</u>
Other operating income		<u>–</u>	<u>14,125</u>
<b>Operating loss</b>		<b>(2,015,009)</b>	<b>(1,812,264)</b>
<b>Loss before taxation</b>	<b>6</b>	<b>(2,015,009)</b>	<b>(1,812,264)</b>
Tax on loss		<u>–</u>	<u>–</u>
<b>Loss for the financial year and total comprehensive income</b>		<b><u>(2,015,009)</u></b>	<b><u>(1,812,264)</u></b>

The notes on pages 6 to 11 form part of these financial statements.

# Flexford Ltd

## Statement of Financial Position

31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	7	15,000	–
Tangible assets	8	<u>17,059,947</u>	<u>5,196,108</u>
		<b>17,074,947</b>	<b>5,196,108</b>
<b>Current assets</b>			
Stocks		28,935	18,350
Debtors	9	137,921	172,610
Cash at bank and in hand		<u>84,200</u>	<u>106,147</u>
		<b>251,056</b>	<b>297,107</b>
<b>Creditors: amounts falling due within one year</b>	10	<u>(27,350,841)</u>	<u>(13,503,044)</u>
<b>Net current liabilities</b>		<b>(27,099,785)</b>	<b>(13,205,937)</b>
<b>Total assets less current liabilities</b>		<b>(10,024,838)</b>	<b>(8,009,829)</b>
<b>Net liabilities</b>		<b><u>(10,024,838)</u></b>	<b><u>(8,009,829)</u></b>
<b>Capital and reserves</b>			
Called up share capital		110	110
Profit and loss account		<u>(10,024,948)</u>	<u>(8,009,939)</u>
<b>Shareholders deficit</b>		<b><u>(10,024,838)</u></b>	<b><u>(8,009,829)</u></b>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position  
continues on the following page.

The notes on pages 6 to 11 form part of these financial statements.

# **Flexford Ltd**

## **Statement of Financial Position** *(continued)*

**31 December 2018**

These financial statements were approved by the board of directors and authorised for issue on ....., and are signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'K R Spencer', with a stylized, cursive script.

K R Spencer  
Director

Company registration number: 06197768

The notes on pages 6 to 11 form part of these financial statements.

# **Flexford Ltd**

## **Notes to the Financial Statements**

**Year ended 31 December 2018**

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 45 Westerham Road, Bessels Green, Sevenoaks, Kent, TN13 2QB.

### **2. Statement of compliance**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity. Monetary amounts in these financial statements are rounded to the nearest £.

#### **Going concern**

The company has the continued financial support of the director. Based on this support, the company will have sufficient resources to meet its financial liabilities as they fall due and the director has therefore prepared the financial statements on the going concern basis.

Should the company be unable to meet its liabilities as they fall due, adjustments would have to be made to the financial statements to reduce the value of assets to their recoverable amount and to provide for any further liabilities which may arise.

#### **Revenue recognition**

The turnover shown in the income statement represents income derived from hotel accommodation, food and beverage sales during the year, exclusive of VAT.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. Unpaid contributions at the year end are shown within creditors.





# Flexford Ltd

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2018

#### 3. Accounting policies *(continued)*

##### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Office equipment	-	25% straight line
Furniture and fixtures	-	25% straight line
Hotel equipment	-	25% straight line
Hotel development costs	-	10% straight line

##### Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

##### Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 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 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 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.

# Flexford Ltd

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2018

#### 3. Accounting policies *(continued)*

##### Financial instruments *(continued)*

##### Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 4. Taxation on ordinary activities

The company has trading losses of £6,634,325 (2017: £5,713,810) available to carry forward against future trading profits.

Due to the uncertainty over the future profits of the company, a deferred tax asset of £1,238,564 (2017: £1,076,760) has not been recognised.

#### 5. Employee numbers

The average number of persons employed by the company during the year amounted to 48 (2017: 48).

#### 6. Loss before taxation

Loss before taxation is stated after charging:

	2018 £	2017 £
Depreciation of tangible assets	<u>1,207,599</u>	<u>708,546</u>

#### 7. Intangible assets

	Patents, trademarks and licences £
<b>Cost</b>	
Additions	15,000
<b>At 31 December 2018</b>	<u>15,000</u>
<b>Amortisation</b>	
At 1 January 2018 and 31 December 2018	—
<b>Carrying amount</b>	
At 31 December 2018	<u>15,000</u>
At 31 December 2017	<u>—</u>

# Flexford Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

### 8. Tangible assets

	Office equipment £	Furniture and fixtures £	Hotel development costs £	Total £
<b>Cost</b>				
At 1 January 2018	295,505	307,703	5,642,654	<b>6,245,862</b>
Additions	1,095	23,323	13,047,020	<b>13,071,438</b>
<b>At 31 December 2018</b>	<b>296,600</b>	<b>331,026</b>	<b>18,689,674</b>	<b>19,317,300</b>
<b>Depreciation</b>				
At 1 January 2018	98,765	108,565	842,424	<b>1,049,754</b>
Charge for the year	74,031	79,151	1,054,417	<b>1,207,599</b>
<b>At 31 December 2018</b>	<b>172,796</b>	<b>187,716</b>	<b>1,896,841</b>	<b>2,257,353</b>
<b>Carrying amount</b>				
<b>At 31 December 2018</b>	<b>123,804</b>	<b>143,310</b>	<b>16,792,833</b>	<b>17,059,947</b>
At 31 December 2017	196,739	199,138	4,800,230	5,196,108

### 9. Debtors

	2018 £	2017 £
Trade debtors	<b>50,356</b>	36,227
Other debtors	<b>87,565</b>	136,383
	<b>137,921</b>	<b>172,610</b>

### 10. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	<b>366,809</b>	400,598
Social security and other taxes	<b>98,056</b>	71,888
Other creditors	<b>26,885,976</b>	13,030,558
	<b>27,350,841</b>	<b>13,503,044</b>

# Flexford Ltd

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2018

#### 11. Related party transactions

A balance of £9,969,944 (2017: £10,176,672) is due to K R Spencer a director and shareholder. The loan is interest free and repayable on demand, and is included in creditors. A balance of £10,000 (2017: £10,000) is due to Bishops Investments Limited in respect of funding provided, and is included in creditors. K R Spencer is the sole director and shareholder of Bishops Investments Limited. Included in other creditors is £248,800 (2017: £198,800) due to Flanstead Limited in respect of funding provided. During the year £nil (2017: £208,755) was paid to Flanstead Ltd in respect of rates paid on Flexford Ltd's behalf. The balance at the end of the year was £nil (2017: £17,963) and is included in trade creditors. K R Spencer is the sole director and shareholder of Flanstead Limited. Included in other creditors is £nil (2017: £1,089,645) due to NDA Gymnastics Limited in respect of income collected by Flexford Limited on their behalf. During the year £nil (2017: £3,383) was paid to NDA Gymnastics Limited in relation to staff costs. During the year sales and recharges amounting to £7,544 (2017: £9,821) were made to NDA Gymnastics Limited. The balance outstanding at the end of the year was £nil (2017: £nil). K R Spencer was a director of this company and had a controlling interest in it.

The following related party transactions were with subsidiaries of SQIB Limited, in which K R Spencer is a director and shareholder in its ultimate parent company Armature Limited. During the year service charges amounting to £21,169 (2017: £42,275) were paid to Integra Property Management Limited. The balance outstanding at the end of the year was £81,759 (2017: £96,314) and is included in trade creditors. During the year sales and recharges amounting to £3,900 (2017: £17,298) were made to Salomons UK UK Ltd. The balance at the end of the year was £1,331 (2017: £1,147) and is included in trade debtors. During the year purchases and recharges amounting to £185,266 (2017: £194,754) were bought from Salomons UK Ltd. The balance at the end of the year was £21,474 (2017: £23,222) and is included in trade creditors. Included in other creditors is £1,389,307 (2017: £nil) due to Salomons UK Limited in respect of staff costs paid on behalf of Flexford Limited. A balance of £1,089,645 (2017: £nil) is due to Bishops UK Limited in respect of funding provided, and is included in other creditors. Included in other creditors is £229,336 (2017: £179,336) due to One Media and Creative UK Limited in respect of marketing services supplied. During the year sales and recharges amounting to £nil (2017: £499) were made to One Media and Creative UK Limited. The balance outstanding at the yearend was £nil (2017: £350) and is included in trade debtors. During the year purchases and recharges amounting to £66,441 (2017: £80,135) were bought from One Media and Creative UK Limited. The balance at the end of the year was £5,723 (2017: £14,799) and is included in trade creditors.

The following related party transactions were with subsidiaries of Markerstudy Holdings Limited, in which K R Spencer is a director and the majority shareholder. Included in other creditors is £nil (2017: £155,983) due to Old ML Limited (formerly Markerstudy Ltd). During the year sales and recharges amounting to £nil (2017: £19,022) were made to Old ML Limited (formerly Markerstudy Ltd). The balance at the end of the year was £nil (2017: £15,059). During the year purchases and recharges amounting to £24,512 (2017: £23,051) were bought from Old ML Limited (formerly Markerstudy Ltd). The balance at the end of the year was £nil (2017: £1,308) and is included in trade creditors. Included in other creditors is £436,873 (2017: £nil) due to Markerstudy Insurance Services Limited. The balance at the end of the year was £44 (2017: £nil). During the year purchases and recharges amounting to £17,139 (2017: £nil) were bought from Markerstudy Insurance Services Limited. The balance at the end of the year was £7,759 (2017: £nil) and is included in trade creditors. During the year purchases and recharges amounting to £61,238 (2017: £90,143) were bought from Trifords Ltd. The balance at the end of the year was £2,799 (2017: £23,018) and is included in trade creditors.