

**Company Registration No. 4330745 (England and Wales)**

**ROOM 58 LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
**PAGES FOR FILING WITH REGISTRAR**

# ROOM 58 LIMITED

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# ROOM 58 LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	3		1,709,863		1,426,712
Tangible assets	4		38,619		42,157
			<u>1,748,482</u>		<u>1,468,869</u>
<b>Current assets</b>					
Debtors	5	429,779		288,884	
Cash at bank and in hand		35,226		366	
		<u>465,005</u>		<u>289,250</u>	
<b>Creditors: amounts falling due within one year</b>	6	(342,000)		(375,482)	
<b>Net current assets/(liabilities)</b>			<u>123,005</u>		<u>(86,232)</u>
<b>Total assets less current liabilities</b>			<u>1,871,487</u>		<u>1,382,637</u>
<b>Creditors: amounts falling due after more than one year</b>	7		(176,948)		(241,102)
<b>Provisions for liabilities</b>			<u>(327,000)</u>		<u>(235,000)</u>
<b>Net assets</b>			<u><u>1,367,539</u></u>		<u><u>906,535</u></u>
<b>Capital and reserves</b>					
Called up share capital			6,355		6,355
Capital redemption reserve			1,545		1,545
Profit and loss reserves			<u>1,359,639</u>		<u>898,635</u>
<b>Total equity</b>			<u><u>1,367,539</u></u>		<u><u>906,535</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

**ROOM 58 LIMITED**

**BALANCE SHEET (CONTINUED)**

**AS AT 31 DECEMBER 2020**

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The financial statements were approved by the board of directors and authorised for issue on 16 November 2021 and are signed on its behalf by:

Mr M C Jones  
**Director**

Mrs J J Jones  
**Director**

**Company Registration No. 4330745**

# ROOM 58 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Company information

Room 58 Limited is a private company limited by shares incorporated in England and Wales. The registered office is Pillar House, 113/115 Bath Road, Cheltenham, Gloucestershire, United Kingdom, GL53 7LS. The company's main place of operation is 804 Eagle Tower, Montpellier Drive, Cheltenham, Gloucestershire, GL50 1TA.

#### 1.1 Accounting convention

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.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

#### 1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation will be charged upon completion of the project.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery, etc	25% on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

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## ROOM 58 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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**1 Accounting policies** **(Continued)**

**1.6 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

**1.7 Cash at bank and in hand**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.8 Financial instruments**

Financial instruments are recognised in the company's balance sheet 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***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.

# ROOM 58 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **1.9 Equity instruments**

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

#### **1.10 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# ROOM 58 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	19	18

## ROOM 58 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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<b>3 Intangible fixed assets</b>	<b>Other £</b>
<b>Cost</b>	
At 1 January 2020	1,426,712
Additions	283,151
	<hr/>
At 31 December 2020	1,709,863
	<hr/>
<b>Amortisation and impairment</b>	
At 1 January 2020 and 31 December 2020	-
	<hr/>
<b>Carrying amount</b>	
At 31 December 2020	1,709,863
	<hr/> <hr/>
At 31 December 2019	1,426,712
	<hr/> <hr/>

Intangible fixed assets are pledged as security for bank facilities under a fixed and floating charge.

<b>4 Tangible fixed assets</b>	<b>Plant and machinery etc £</b>
<b>Cost</b>	
At 1 January 2020	493,315
Additions	4,216
Disposals	(38,356)
	<hr/>
At 31 December 2020	459,175
	<hr/>
<b>Depreciation and impairment</b>	
At 1 January 2020	451,158
Depreciation charged in the year	2,721
Eliminated in respect of disposals	(33,323)
	<hr/>
At 31 December 2020	420,556
	<hr/>
<b>Carrying amount</b>	
At 31 December 2020	38,619
	<hr/> <hr/>
At 31 December 2019	42,157
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Tangible fixed assets are pledged as security for bank facilities under a fixed and floating charge.

## ROOM 58 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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5 Debtors	2020	2019
Amounts falling due within one year:	£	£
Trade debtors	142,484	202,661
Other debtors	287,295	86,223
	<u>429,779</u>	<u>288,884</u>

Debtors are pledged as security for bank facilities under a fixed and floating charge.

6 Creditors: amounts falling due within one year	2020	2019
	£	£
Bank loans and overdrafts	-	103,874
Trade creditors	39,694	51,336
Corporation tax	52,000	-
Other taxation and social security	39,776	20,143
Other creditors	210,530	200,129
	<u>342,000</u>	<u>375,482</u>

Bank loans and overdrafts amounting to £Nil (2019: £103,874) are secured by a fixed and floating charge over the company's assets.

There are no amounts owed under finance leases included within other creditors (2019: £6,657) secured against the assets to which they relate.

7 Creditors: amounts falling due after more than one year	2020	2019
	£	£
Other creditors	176,948	241,102
	<u>176,948</u>	<u>241,102</u>

There are no amounts owed under finance leases included within other creditors (2019: £4,513) secured against the assets to which they relate.

#### 8 Financial commitments, guarantees and contingent liabilities

As at 31 December 2020, the company had guarantees, contingencies or other financial commitments of £129,565 (2019: £Nil).

#### 9 Related party transactions

The directors have provided a personal guarantee amounting to £317,700 in relation to a loan included within other creditors. At the year end, the balance outstanding on this loan amounted to £235,589 (2019: £289,571).

## ROOM 58 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 10 Directors' transactions

The following advances and credits to a director subsisted during the year ended 31 December 2020:

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
2020	2.25	(178)	509,792	1,438	(300,011)	211,041
2019	3.00	(178)	279,554	457	(280,011)	(178)
		<u>(356)</u>	<u>789,346</u>	<u>1,895</u>	<u>(580,022)</u>	<u>210,863</u>

#### 11 Prior period adjustment

Prior year adjustments have been processed in relation to the following items:

- Other creditors have been restated with £236,589 initially included as due within one year restated as due greater than one year, in line with the terms of the underlying agreement.
- Deferred tax liabilities included in Provisions have also been increased from £145,000 to £235,000 in respect of timing differences.

The effect of these prior year adjustments on the financial statements are as follows:

#### Changes to the balance sheet

	As previously reported £	Adjustment at 1 Jan 2019 £	Adjustment at 31 Dec 2019 £	As restated at 31 Dec 2019 £
<b>Creditors due within one year</b>				
Other creditors	(428,692)	-	236,589	(192,103)
<b>Creditors due after one year</b>				
Other creditors	-	-	(236,589)	(236,589)
<b>Provisions for liabilities</b>				
Deferred tax	(145,000)	(52,500)	(37,500)	(235,000)
Net assets	<u>996,535</u>	<u>(52,500)</u>	<u>(37,500)</u>	<u>906,535</u>
<b>Capital and reserves</b>				
Profit and loss reserves	<u>988,635</u>	<u>(52,500)</u>	<u>(37,500)</u>	<u>898,635</u>

#### Changes to the profit and loss account

	As previously reported £	Adjustment £	As restated £
<b>Period ended 31 December 2019</b>			
Taxation	361	(37,500)	(37,139)
Profit for the financial period	<u>492,582</u>	<u>(37,500)</u>	<u>455,082</u>

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