

REGISTERED NUMBER: 07385695 (England and Wales)

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019**  
**FOR**  
**BM MANCHESTER LIMITED**



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**FOR THE YEAR ENDED 30 APRIL 2019**

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**BM MANCHESTER LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30 APRIL 2019**

**DIRECTORS:**

C. Christou  
L. Hadjiioannou

**REGISTERED OFFICE:**

6th Floor  
Charles House  
108-110 Finchley Road  
London  
NW3 5JJ

**REGISTERED NUMBER:**

07385695 (England and Wales)

**AUDITORS:**

Numera Partners LLP  
Statutory Auditors  
6th Floor  
Charles House  
108-110 Finchley Road  
London  
NW3 5JJ

**GROUP STRATEGIC REPORT**  
**FOR THE YEAR ENDED 30 APRIL 2019**

The directors present their strategic report of the company and the group for the year ended 30 April 2019.

**REVIEW OF BUSINESS**

The principal activity of the company is that of a holding company. The subsidiary company's principal activity is the operation of a hotel.

The directors are satisfied with the performance of the subsidiary during the year under review. During the year the hotel maintained its turnover at £20.5m (2018: £20.4m) in a highly competitive market.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Some risks are excluded because the management considers them not to be material to the company. Additionally there may be risks and uncertainties not presently known to the management team.

**MARKET AND HOTEL INDUSTRY RISKS**

The subsidiary's operations and results are subject to a number of factors which could affect the business, many of which are common to the hotel industry and beyond the subsidiary's control such as a potential global economic downturn; changes in travel patterns; and the potential increase in acts of terrorism. The impact of any of these factors (or a combination of them) may adversely affect sustained levels of occupancy, room rates and/or hotel values, however the group tries to minimise the potential impact of these risks through its experienced hotel management team.

Although management seeks to identify risks at the earliest opportunity, many of these risks are beyond the control of the subsidiary. The subsidiary company has in place recovery plans to enable it to respond to major incidents or crises and takes steps to minimise these exposures to the greatest extent possible.

**BORROWINGS**

The subsidiary's bank borrowings are currently with one major lender and the financing arrangements contain security over the assets of the company.

The subsidiary's bank loan was refinanced with new lenders on 30 July 2019 for a term of 5 years.

To mitigate against risks the management team meets regularly to review the financial performance of the hotel together with the subsidiary's financial commitments.

**FIXED OPERATING EXPENSES**

The subsidiary's operating expenses such as personnel costs, operating leases, information technology and telecommunications are to a large extent fixed. As such, operating results may be vulnerable to short-term changes in revenues.

The subsidiary has appropriate management systems in place such as staff outsourcing designed to create flexibility in operating cost base so as to optimise operating profits in volatile trading conditions.

**KEY SENIOR PERSONNEL AND MANAGEMENT**

The success of the subsidiary's business is partially attributable to the efforts and abilities of its senior managers.

The subsidiary has appropriate systems in place for recruitment, reward and compensation and performance management. Development and maintenance of the subsidiary's culture also plays a leading role in minimising risk.

The key senior management in the hotel is provided by the hotel operator and therefore there is a pool of staff available should key personnel leave.

In addition, the group's internal asset management team possess the skill set to cover any of its investment strategies.

**ON BEHALF OF THE BOARD:**



.....  
L. Hadjiioannou - Director

Date: .....

28/1/2020

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 APRIL 2019**

The directors present their report with the financial statements of the company and the group for the year ended 30 April 2019.

**DIVIDENDS**

An interim dividend of £266 per share on the Ordinary £1 shares was paid on 30 April 2019. The directors recommend that no final dividend be paid on these shares.

No interim dividend was paid on the Ordinary £1 shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 30 April 2019 will be £1,600.

**FUTURE DEVELOPMENTS**

It is anticipated that the group will improve its turnover and balance sheet position for the foreseeable future.

**DIRECTORS**

C. Christou has held office during the whole of the period from 1 May 2018 to the date of this report.

Other changes in directors holding office are as follows:

L. Hadjiioannou was appointed as a director after 30 April 2019 but prior to the date of this report.

L. Louca ceased to be a director after 30 April 2019 but prior to the date of this report.

**FINANCIAL INSTRUMENTS**

Information on financial instruments and other risks is set out below:

Treasury activities take place under procedures and policies monitored by the directors. They are designed to minimise the financial risks faced by the company which primarily arise from interest rate, currency, credit and liquidity risks. It is not the policy of the group to enter into speculative transactions.

**FINANCIAL INSTRUMENTS - RISK MANAGEMENT**

The most significant treasury exposures faced by the group are managing interest rate and currency positions. Treasury policies are in a place for managing each of these exposures including the type and use of financial instruments.

The group has no financial instruments to hedge foreign exchange exposure.

The group does not enter into derivative transactions.

The fair values of the receivables, payables and cash balances in the accounts approximate their book value.

The main financial risks faced by the company are funding risk and credit risk. As with any business there remains uncertainty and risk about the ability of the group to achieve its business objectives within its current funding. The director continually reviews the funding status of the group and its exposure to liquidity risk.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 APRIL 2019**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**



.....  
L. Hadjiioannou - Director

Date: 28/11/2020

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**BM MANCHESTER LIMITED**

**Opinion**

We have audited the financial statements of BM Manchester Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 April 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**BM MANCHESTER LIMITED**

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Giles Cohen (Senior Statutory Auditor)  
for and on behalf of Numera Partners LLP  
Statutory Auditors  
6th Floor  
Charles House  
108-110 Finchley Road  
London  
NW3 5JJ

Date: 28/11/2020

**Note:**

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 APRIL 2019**

	Notes	30.4.19 £	30.4.18 £
<b>TURNOVER</b>		20,539,873	20,433,417
Cost of sales		2,178,272	2,101,150
<b>GROSS PROFIT</b>		18,361,601	18,332,267
Administrative expenses		16,658,065	16,145,285
<b>OPERATING PROFIT</b>	4	1,703,536	2,186,982
Interest payable and similar expenses	5	1,019,910	1,171,796
<b>PROFIT BEFORE TAXATION</b>		683,626	1,015,186
Tax on profit	6	506,673	110,213
<b>PROFIT FOR THE FINANCIAL YEAR</b>		176,953	904,973
Profit attributable to: Owners of the parent		176,953	904,973


**CONSOLIDATED OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 APRIL 2019**

	Notes	30.4.19 £	30.4.18 £
<b>PROFIT FOR THE YEAR</b>		176,953	904,973
<b>OTHER COMPREHENSIVE INCOME</b>			
Deferred tax		(226,085)	201,776
Depreciation on property revaluation		-	245,462
Revaluation		1,580,525	-
Income tax relating to components of other comprehensive income		-	-
		<u>          </u>	<u>          </u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		1,354,440	447,238
		<u>          </u>	<u>          </u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		1,531,393	1,352,211
		<u>          </u>	<u>          </u>
Total comprehensive income attributable to:			
Owners of the parent		1,491,393	1,312,211
Non-controlling interests		40,000	40,000
		<u>          </u>	<u>          </u>
		1,531,393	1,352,211
		<u>          </u>	<u>          </u>

**CONSOLIDATED BALANCE SHEET****30 APRIL 2019**

	Notes	30.4.19 £	30.4.18 £
<b>FIXED ASSETS</b>			
Tangible assets	9	100,000,000	98,931,564
Investments	10	-	-
		<u>100,000,000</u>	<u>98,931,564</u>
<b>CURRENT ASSETS</b>			
Stocks	11	103,260	82,145
Debtors	12	13,942,818	20,558,821
Cash at bank and in hand		4,513,259	3,909,269
		<u>18,559,337</u>	<u>24,550,235</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	62,602,830	38,160,757
		<u>(44,043,493)</u>	<u>(13,610,522)</u>
<b>NET CURRENT LIABILITIES</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>55,956,507</u>	<u>85,321,042</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	-	(31,671,534)
<b>PROVISIONS FOR LIABILITIES</b>	17	<u>(6,478,278)</u>	<u>(5,701,072)</u>
<b>NET ASSETS</b>		<u><u>49,478,229</u></u>	<u><u>47,948,436</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	6	6
Share premium	19	4,649,995	4,649,995
Revaluation reserve	19	43,759,820	42,654,892
Retained earnings	19	1,028,408	603,543
		<u>49,438,229</u>	<u>47,908,436</u>
<b>SHAREHOLDERS' FUNDS</b>			
<b>NON-CONTROLLING INTERESTS</b>	20	<u>40,000</u>	<u>40,000</u>
<b>TOTAL EQUITY</b>		<u><u>49,478,229</u></u>	<u><u>47,948,436</u></u>

The financial statements were approved by the Board of Directors on 28/11/2020 and were signed on its behalf by:

  
.....  
L. Hadjiioannou - Director

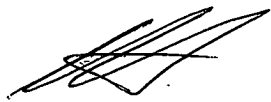
**COMPANY BALANCE SHEET**

**30 APRIL 2019**

	Notes	30.4.19 £	£	30.4.18 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		-		-
Investments	10		80,000		80,000
			<u>80,000</u>		<u>80,000</u>
<b>CURRENT ASSETS</b>					
Debtors	12	12,473,200		12,473,200	
Cash in hand		<u>1</u>		<u>1</u>	
		12,473,201		12,473,201	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>7,903,200</u>		<u>7,903,200</u>	
<b>NET CURRENT ASSETS</b>			<u>4,570,001</u>		<u>4,570,001</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><u>4,650,001</u></u>		<u><u>4,650,001</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		6		6
Share premium			<u>4,649,995</u>		<u>4,649,995</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u>4,650,001</u></u>		<u><u>4,650,001</u></u>
Company's profit for the financial year			<u><u>1,600</u></u>		<u><u>1,501,600</u></u>

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

The financial statements were approved by the Board of Directors on 28/11/2020 and were signed on its behalf by:

  
.....  
L. Hadjiioannou - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 APRIL 2019**

	Called up share capital £	Retained earnings £	Share premium £
<b>Balance at 1 May 2017</b>	6	954,708	4,649,995
<b>Changes in equity</b>			
Dividends	-	(1,501,600)	-
Total comprehensive income	-	1,150,435	-
<b>Balance at 30 April 2018</b>	<u>6</u>	<u>603,543</u>	<u>4,649,995</u>

<b>Changes in equity</b>			
Dividends	-	(1,600)	-
Total comprehensive income	-	426,465	-
<b>Balance at 30 April 2019</b>	<u>6</u>	<u>1,028,408</u>	<u>4,649,995</u>

	Revaluation reserve £	Total £	Non-controlling interests £	Total equity £
<b>Balance at 1 May 2017</b>	42,453,116	48,057,825	-	48,057,825
<b>Changes in equity</b>				
Dividends	-	(1,501,600)	-	(1,501,600)
Total comprehensive income	201,776	1,352,211	40,000	1,392,211
<b>Balance at 30 April 2018</b>	<u>42,654,892</u>	<u>47,908,436</u>	<u>40,000</u>	<u>47,948,436</u>
<b>Changes in equity</b>				
Dividends	-	(1,600)	-	(1,600)
Total comprehensive income	1,104,928	1,531,393	40,000	1,571,393
<b>Balance at 30 April 2019</b>	<u>43,759,820</u>	<u>49,438,229</u>	<u>80,000</u>	<u>49,518,229</u>

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 APRIL 2019**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 May 2017</b>	6	-	4,649,995	4,650,001
<b>Changes in equity</b>				
Dividends	-	(1,501,600)	-	(1,501,600)
Total comprehensive income	-	1,501,600	-	1,501,600
<b>Balance at 30 April 2018</b>	<u>6</u>	<u>-</u>	<u>4,649,995</u>	<u>4,650,001</u>
<b>Changes in equity</b>				
Dividends	-	(1,600)	-	(1,600)
Total comprehensive income	-	1,600	-	1,600
<b>Balance at 30 April 2019</b>	<u>6</u>	<u>-</u>	<u>4,649,995</u>	<u>4,650,001</u>

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 APRIL 2019**

	Notes	30.4.19 £	30.4.18 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	4,159,693	18,829,933
Interest paid		(1,019,910)	(1,171,796)
Tax paid		(110,213)	-
Net cash from operating activities		<u>3,029,570</u>	<u>17,658,137</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(222,636)</u>	<u>(469,173)</u>
Net cash from investing activities		<u>(222,636)</u>	<u>(469,173)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(2,201,344)	(15,803,154)
Equity dividends paid		<u>(1,600)</u>	<u>(1,501,600)</u>
Net cash from financing activities		<u>(2,202,944)</u>	<u>(17,304,754)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>603,990</u>	<u>(115,790)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>3,909,269</u>	<u>4,025,059</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>4,513,259</u></u>	<u><u>3,909,269</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 APRIL 2019**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	30.4.19	30.4.18
	£	£
Profit before taxation	683,626	1,015,186
Depreciation charges	734,725	728,401
Finance costs	1,019,910	1,171,796
	<hr/>	<hr/>
	2,438,261	2,915,383
Increase in stocks	(21,115)	(5,001)
Increase in trade and other debtors	(6,052,291)	(12,690,946)
Increase in trade and other creditors	7,794,838	28,610,497
	<hr/>	<hr/>
<b>Cash generated from operations</b>	<b>4,159,693</b>	<b>18,829,933</b>
	<hr/>	<hr/>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30 April 2019**

	30.4.19	1.5.18
	£	£
Cash and cash equivalents	4,513,259	3,909,269
	<hr/>	<hr/>

**Year ended 30 April 2018**

	30.4.18	1.5.17
	£	£
Cash and cash equivalents	3,909,269	4,025,059
	<hr/>	<hr/>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2019**

**1. STATUTORY INFORMATION**

BM Manchester Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modifications to a fair value basis for the revaluation of certain assets.

**Basis of consolidation**

The consolidated financial statements of the group include the financial statements of the company and its direct and indirect subsidiary undertakings made up to 30 April 2018. The results of subsidiaries acquired are included in the consolidated profit and loss account from the date control passes. Intra group sales and profits are eliminated fully on consolidation.

**Significant judgements and estimates**

In the application of the Group's accounting policies, which are described in accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Turnover**

Turnover represents net invoiced sales of goods and services, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 0.5% on cost
Fixtures and fittings	- 25% on reducing balance

Leasehold properties are classified as operational properties when they are used by the company's business as opposed to being held primarily for rental income. Operational properties are revalued to fair value on a regular basis.

**Stocks**

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value represents estimated selling price less costs to complete and sell. Provision is made for slow moving, obsolete or damaged stock where the net realisable value is less than cost.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 APRIL 2019**

**2. ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Related parties**

The company has taken advantage of FRS 102, Section 33.1A, for the disclosure of transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member. Amounts owed to and from group companies are therefore shown in aggregate.

**Financial liabilities**

Short term creditors are measured at transaction price. Other financial liabilities, including loans from group companies are measured initially at fair value, net of transaction cost and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Financial assets**

Short term debtors are measured at transaction price, less any impairment. Other financial assets, including loans to group companies are measured initially at fair value, net of transactions cost and are subsequently measured at amortised cost using the effective interest method, less any impairment.

**Going concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company, therefore continues to adopt the going concern policy in preparing its financial statements.

**Fixed asset investments**

Investments in subsidiaries are carried at cost less impairment.

**Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

**3. EMPLOYEES AND DIRECTORS**

Included within wages and salaries are social security costs amounting to £310,870 (2018: £319,075).

	30.4.19	30.4.18
	£	£
Directors' remuneration	-	-

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	30.4.19	30.4.18
	£	£
Hire of plant and machinery	106,451	83,951
Other operating leases	12,000	8,703
Depreciation - owned assets	734,725	753,713
Auditors' remuneration	41,324	39,891

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	30.4.19	30.4.18
	£	£
Bank loan interest	1,019,910	1,171,796

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 APRIL 2019**

**6. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	30.4.19 £	30.4.18 £
Current tax:		
UK corporation tax	(44,448)	110,213
Deferred tax	551,121	-
Tax on profit	<u>506,673</u>	<u>110,213</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	30.4.19 £	30.4.18 £
Profit before tax	<u>683,626</u>	<u>1,015,186</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	129,889	192,885
Effects of:		
Capital allowances in excess of depreciation	(83,744)	(82,672)
Adjustments to tax charge in respect of previous periods	(54,348)	-
Group relief	(36,245)	-
Deferred tax movement	551,121	-
Total tax charge	<u>506,673</u>	<u>110,213</u>

**Tax effects relating to effects of other comprehensive income**

	30.4.19 Gross £	Tax £	Net £
Deferred tax	(226,085)	-	(226,085)
Depreciation on property revaluation	1,580,525	-	1,580,525
Revaluation	<u>1,354,440</u>	<u>-</u>	<u>1,354,440</u>
	30.4.18 Gross £	Tax £	Net £
Deferred tax	201,776	-	201,776
Depreciation on property revaluation	245,462	-	245,462
	<u>447,238</u>	<u>-</u>	<u>447,238</u>

**7. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 APRIL 2019**

**8. DIVIDENDS**

	30.4.19 £	30.4.18 £
Ordinary shares of £1 each		
Interim	-	1,500,000
Ordinary shares of £1 each		
Interim	1,600	1,600
	<u>1,600</u>	<u>1,501,600</u>

**9. TANGIBLE FIXED ASSETS**

**Group**

	Long leasehold £	Fixtures and fittings £	Totals £
<b>COST OR VALUATION</b>			
At 1 May 2018	100,802,518	1,524,894	102,327,412
Additions	-	222,636	222,636
Revaluations	1,580,525	-	1,580,525
	<u>102,383,043</u>	<u>1,747,530</u>	<u>104,130,573</u>
At 30 April 2019			
<b>DEPRECIATION</b>			
At 1 May 2018	2,571,167	824,681	3,395,848
Charge for year	504,013	230,712	734,725
	<u>3,075,180</u>	<u>1,055,393</u>	<u>4,130,573</u>
At 30 April 2019			
<b>NET BOOK VALUE</b>			
At 30 April 2019	<u>99,307,863</u>	<u>692,137</u>	<u>100,000,000</u>
At 30 April 2018	<u>98,231,351</u>	<u>700,213</u>	<u>98,931,564</u>

Cost or valuation at 30 April 2019 is represented by:

	Long leasehold £	Fixtures and fittings £	Totals £
Valuation in 2015	49,092,350	-	49,092,350
Valuation in 2019	1,580,525	222,636	1,803,161
Cost	51,710,168	1,524,894	53,235,062
	<u>102,383,043</u>	<u>1,747,530</u>	<u>104,130,573</u>

If leasehold property had not been revalued it would have been included at the following historical cost:

	30.4.19 £	30.4.18 £
Cost	<u>51,710,168</u>	<u>51,710,168</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 APRIL 2019**

**10. FIXED ASSET INVESTMENTS**

**Company**

Shares in  
group  
undertakings  
£

**COST**

At 1 May 2018  
and 30 April 2019

80,000

**NET BOOK VALUE**

At 30 April 2019

80,000

At 30 April 2018

80,000

**11. STOCKS**

**Group**

30.4.19

30.4.18

£

£

Stocks

103,260

82,145

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

**Group**

30.4.19

30.4.18

£

£

Trade debtors

757,750

614,169

Other debtors

399,461

378,415

Amounts owed by group undertakings

12,473,200

19,217,294

Prepayments

312,407

348,943

13,942,818

20,558,821

**Company**

30.4.19

30.4.18

£

£

-

-

-

-

12,473,200

12,473,200

-

-

12,473,200

12,473,200

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

**Group**

30.4.19

30.4.18

£

£

Bank loans and overdrafts (see note 15)

29,470,190

-

Trade creditors

709,537

387,062

Amounts owed to group undertakings

29,607,753

35,105,794

Tax

(44,448)

110,213

Social security and other taxes

114,629

108,968

VAT

603,596

654,515

Other creditors

137,203

173,980

Advance deposits

480,551

361,815

Accrued expenses

1,523,819

1,258,410

62,602,830

38,160,757

30.4.19

30.4.18

£

£

-

-

-

-

7,903,200

7,903,200

-

-

-

-

-

-

-

-

-

-

7,903,200

7,903,200

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

**Group**

30.4.19

30.4.18

£

£

Bank loans (see note 15)

-

31,671,534

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 APRIL 2019**

**15. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>	
	30.4.19	30.4.18
	£	£
Amounts falling due within one year or on demand:		
Bank loans	29,470,190	-
	<u>29,470,190</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	31,671,534
	<u>-</u>	<u>31,671,534</u>

**16. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>	
	30.4.19	30.4.18
	£	£
Bank loans	29,470,190	31,671,534
	<u>29,470,190</u>	<u>31,671,534</u>

Bank loans are secured by way of mortgage debentures, floating charges and legal charges over the assets of the company.

**17. PROVISIONS FOR LIABILITIES**

	<b>Group</b>	
	30.4.19	30.4.18
	£	£
Deferred tax	6,478,278	5,701,072
	<u>6,478,278</u>	<u>5,701,072</u>
<b>Group</b>		
		Deferred tax
		tax
		£
Balance at 1 May 2018		5,701,072
Provided during year		777,206
		<u>777,206</u>
Balance at 30 April 2019		6,478,278
		<u>6,478,278</u>

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.4.19	30.4.18
			£	£
6	Ordinary	£1	6	6
			<u>6</u>	<u>6</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 APRIL 2019**

**19. RESERVES**

**Group**

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 May 2018	603,543	4,649,995	42,654,892	47,908,430
Profit for the year	176,953			176,953
Dividends	(1,600)			(1,600)
Revaluation	249,512	-	1,331,013	1,580,525
Deferred tax	-	-	(226,085)	(226,085)
At 30 April 2019	<u>1,028,408</u>	<u>4,649,995</u>	<u>43,759,820</u>	<u>49,438,223</u>

**20. NON-CONTROLLING INTERESTS**

This note gives details of the Group's minority interests and shows the movement during the year.

	30.04.18 £
Minority Interests	<u>40,000</u>
Balance as at 30 April 2018	<u>40,000</u>

**21. PENSION COMMITMENTS**

The company operated a defined contribution pension scheme for the benefit of its employees. The costs of the scheme are recognised in the period in which contributions are payable and total £48,351 (2018: £27,693) for the period under review.

**22. CONTINGENT LIABILITIES**

The company is part of an omnibus guarantee and set off agreement for securing all monies due or to become due from certain group companies which at 30 April 2019 amounted to £229 million.

Following the July 19 refinancing that is detailed in note 13, this guarantee was reduced to £175 million.

The company is from time to time party to legal actions arising in the ordinary course of business. The directors have advised that there are no current actions which could have a material adverse effect on the financial position of the company.

**23. RELATED PARTY DISCLOSURES**

Included in debtors falling due within one year is an amount of £Nil (2018: £6,744,094) owed by group undertakings.

Included in creditors due within one year is an amount of £21,704,553 (2018: £27,202,594) owed to group undertakings.

Amounts outstanding between group companies arise by virtue of financing transactions. These amounts are unsecured, interest free and due within one year.

**24. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Y. Christodoulou.

**25. PARENT COMPANY**

The immediate parent company is Blue Marques (M) Limited, incorporated in BVI. The ultimate parent company is Yianis Holdings TC Limited, incorporated in BVI.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 APRIL 2019**

**26. SHAREHOLDERS' FUNDS**

Included in retained earnings is an amount of £605,143 (2018: £954,708) which is distributable to the shareholders.