

SMOKIES ENTERTAINMENTS LIMITED
FINANCIAL STATEMENTS
31 MARCH 2019



JOSEPH MILLER
Chartered Accountants
Newcastle upon Tyne

SMOKIES ENTERTAINMENTS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

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SMOKIES ENTERTAINMENTS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr M R Chawla
Mrs S R Chawla
Mr N Chawla

Company secretary

Mrs S R Chawla

Registered office

24 Woolsington Park South
Woolsington
Newcastle upon Tyne
NE13 8BJ

Auditor

Joseph Miller
Chartered Accountants
Milburn House
Dean Street
Newcastle upon Tyne
NE1 1LE

Bankers

Svenska Handelsbanken AB (publ)
Ground Floor
Earl Grey House
75/85 Grey Street
Newcastle upon Tyne
NE1 6EF

Solicitors

Mincoffs Solicitors
Kensington House
5 Osborne Road
Newcastle upon Tyne
Tyne & Wear
NE2 2AA

SMOKIES ENTERTAINMENTS LIMITED

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2019

Development and performance during the financial year

The company undertakes comprehensive business planning to define long term strategic objectives and goals. Annual budgets and operational plans are prepared utilising financial and non-financial Key Performance Indicators ("KPI's"). Business performance, measured by KPI's (including monitoring of actual results against budget targets and rolling forecasts), is reported to the directors on a monthly basis.

Average occupancy rates were 65.81% for Smokies and 76.34% for Norton Grange (2018: 68% for Smokies and 70% for Norton Grange).

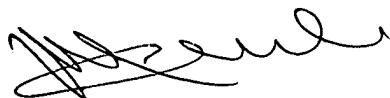
Future Developments

Occupancy is forecast to grow significantly for the next financial year for both hotels.

Principal risks and uncertainties

The company operates in a very competitive market in which customers demand good service and competitive pricing. In order to maintain profit margins the company needs to carefully control direct and overhead costs. Credit control is also vitally important to minimise the risk of credit related losses.

This report was approved by the board of directors on 23 December 2019 and signed on behalf of the board by:



Mr M R Chawla
Director

SMOKIES ENTERTAINMENTS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements of the company for the year ended 31 March 2019.

Directors

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

Mr M R Chawla
Mrs S R Chawla
Mr N Chawla

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on page 2, these matters relate to the business review, principal risks and uncertainties and future developments.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report 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). 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 profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

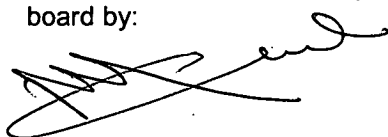
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all 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.

This report was approved by the board of directors on 23 December 2019 and signed on behalf of the board by:



Mr M R Chawla
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMOKIES ENTERTAINMENTS LIMITED

YEAR ENDED 31 MARCH 2019

Opinion

We have audited the financial statements of Smokies Entertainments Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, 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 FRS 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 company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company 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 company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMOKIES ENTERTAINMENTS LIMITED

YEAR ENDED 31 MARCH 2019

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 is 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMOKIES ENTERTAINMENTS LIMITED

YEAR ENDED 31 MARCH 2019

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 an auditor's report 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.

David Gold BA, FCA (Senior statutory auditor)
For and on behalf of Joseph Miller, Statutory auditor
Newcastle upon Tyne
NE1 1LE
23 December 2019

SMOKIES ENTERTAINMENTS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2019

		2019	2018
	Note	£	£
Turnover	4	5,639,622	5,341,058
Raw material and consumables		(990,188)	(989,282)
Other external charges		(998,997)	(1,022,105)
Staff costs	7	(1,920,476)	(1,887,384)
Depreciation on tangible fixed assets		(370,568)	(362,017)
Other operating expenses		(1,267,171)	(1,102,098)
Operating profit/(loss)	5	92,222	(21,828)
Income from group companies for surrender of loss relief	8	9,375	10,793
Other interest receivable and similar income	9	–	299
Interest payable and similar expenses	10	(167,901)	(150,765)
Loss before taxation		(66,304)	(161,501)
Tax on loss	11	(36,992)	27,153
Loss for the financial year		(103,296)	(134,348)
		<hr/>	<hr/>
Tax relating to components of other comprehensive income		–	7,368
Other comprehensive income for the year		–	7,368
		<hr/>	<hr/>
Total comprehensive income for the year		<u>(103,296)</u>	<u>(126,980)</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 18 form part of these financial statements.

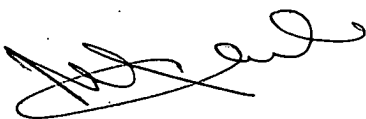
SMOKIES ENTERTAINMENTS LIMITED

STATEMENT OF FINANCIAL POSITION

31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	9,323,808	9,428,791
Current assets			
Stocks	13	34,108	44,516
Debtors	14	685,049	847,091
Cash at bank and in hand		1,818,286	1,658,196
		<u>2,537,443</u>	<u>2,549,803</u>
Creditors: amounts falling due within one year	15	<u>(2,484,090)</u>	<u>(2,219,214)</u>
Net current assets		53,353	330,589
Total assets less current liabilities		9,377,161	9,759,380
Creditors: amounts falling due after more than one year	16	(5,246,176)	(5,562,091)
Provisions			
Deferred taxation	17	<u>(124,604)</u>	<u>(87,612)</u>
Net assets		<u>4,006,381</u>	<u>4,109,677</u>
Capital and reserves			
Called up share capital	20	5,000	5,000
Revaluation reserve	21	3,169,728	3,214,027
Profit and loss account	21	831,653	890,650
Members' funds		<u>4,006,381</u>	<u>4,109,677</u>

The financial statements were approved by the board of directors and authorised for issue on 23 December 2019 and are signed on behalf of the board by:



Mr M R Chawla
Director

Company registration number: 01230998

The notes on pages 10 to 18 form part of these financial statements.

SMOKIES ENTERTAINMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2019

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 April 2017	5,000	3,250,958	980,699	4,236,657
Loss for the year	–	–	(134,348)	(134,348)
Other comprehensive income for the year:				
Reclassification from revaluation reserve to profit and loss account	–	(44,299)	44,299	–
Tax relating to components of other comprehensive income	–	7,368	–	7,368
Total comprehensive income for the year	–	(36,931)	(90,049)	(126,980)
At 31 March 2018	5,000	3,214,027	890,650	4,109,677
Loss for the year	–	–	(103,296)	(103,296)
Other comprehensive income for the year:				
Reclassification from revaluation reserve to profit and loss account	–	(44,299)	44,299	–
Total comprehensive income for the year	–	(44,299)	(58,997)	(103,296)
At 31 March 2019	5,000	3,169,728	831,653	4,006,381

The notes on pages 10 to 18 form part of these financial statements.

SMOKIES ENTERTAINMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 24 Woolsington Park South, Woolsington, Newcastle upon Tyne, NE13 8BJ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain fixed assets measured at fair value through profit or loss and in accordance with the accounting policies set out below.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Debtors

Trade and other debtors are recognised at transaction price less any impairment losses for bad and doubtful debts.

Creditors

Trade and other creditors are recognised at transaction price.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Edgeman Limited which can be obtained from the company's registered office. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

Judgements and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable.

Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. 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.

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, consumer demands and the experience of recoverability.

The key source of estimation uncertainty is the carrying value of the freehold land and buildings, the valuation of which is explained in note 12.

SMOKIES ENTERTAINMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

3. Accounting policies *(continued)*

Revenue recognition

Turnover comprises sales (excluding Value Added Tax) of goods and services provided in the normal course of business.

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.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax. A provision has been made in full on gains recognised on revaluing freehold property to its market value on the assumption that the company is unable to claim rollover relief.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

SMOKIES ENTERTAINMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

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:

Land and buildings	-	2% straight line on buildings only
Plant and equipment	-	22% reducing balance
Fixtures and fittings	-	10% straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historic cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell after making due allowance for obsolete and slow moving items.

Financial instruments

The company has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are measured initially at transaction value and subsequently measured at their settlement value.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Turnover

Turnover arises from:

	2019	2018
	£	£
Rendering of services	<u>5,639,622</u>	<u>5,341,058</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

SMOKIES ENTERTAINMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

5. Operating profit

Operating profit or loss is stated after charging:

	2019	2018
	£	£
Depreciation of tangible assets	<u>370,568</u>	<u>367,147</u>

6. Auditor's remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	<u>12,500</u>	<u>12,000</u>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2019	2018
	No.	No.
Administrative staff	5	5
Management staff	7	7
Other staff	133	139
	<u>145</u>	<u>151</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019	2018
	£	£
Wages and salaries	1,793,882	1,780,649
Social security costs	99,522	93,987
Other pension costs	27,072	12,748
	<u>1,920,476</u>	<u>1,887,384</u>

8. Income from group undertakings

	2019	2018
	£	£
Contribution received from group company in respect of group loss relief	<u>9,375</u>	<u>10,793</u>

9. Other interest receivable and similar income

	2019	2018
	£	£
Interest on cash and cash equivalents	<u>—</u>	<u>299</u>

10. Interest payable and similar expenses

	2019	2018
	£	£
Other interest payable and similar charges	<u>167,901</u>	<u>150,765</u>

SMOKIES ENTERTAINMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

11. Tax on loss

Major components of tax expense

	2019 £	2018 £
Current tax:		
UK current tax expense/(income)	–	(28,983)
Adjustments in respect of prior periods	–	(6,403)
Total current tax	–	(35,386)
Deferred tax:		
Origination and reversal of timing differences	36,992	8,233
Tax on loss	<u>36,992</u>	<u>(27,153)</u>

Tax recognised as other comprehensive income or equity

The aggregate current and deferred tax relating to items recognised as other comprehensive income or equity for the year was a charge of £nil (2018: credit of £7,368).

Reconciliation of tax expense

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Loss on ordinary activities before taxation	(66,304)	(161,501)
Loss on ordinary activities by rate of tax	(12,598)	(30,685)
Adjustment to tax charge in respect of prior periods	–	(6,403)
Effect of expenses not deductible for tax purposes	488	670
Effect of group relief	9,375	8,742
Effect of capital allowances and depreciation	39,727	1,972
Effect on change of rate	–	(1,449)
Tax on profit/(loss)	<u>36,992</u>	<u>(27,153)</u>

Factors that may affect future tax expense

A provision has been made in full for deferred tax on gains recognised on revaluing freehold land and buildings to its market value. Such tax would become payable only if the property were sold without it being possible to claim rollover relief.

SMOKIES ENTERTAINMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

12. Tangible assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2018	9,594,057	440,441	2,433,893	12,468,391
Additions	141,514	–	124,071	265,585
At 31 March 2019	<u>9,735,571</u>	<u>440,441</u>	<u>2,557,964</u>	<u>12,733,976</u>
Depreciation				
At 1 April 2018	1,620,132	402,231	1,017,237	3,039,600
Charge for the year	164,218	8,597	197,753	370,568
At 31 March 2019	<u>1,784,350</u>	<u>410,828</u>	<u>1,214,990</u>	<u>3,410,168</u>
Carrying amount				
At 31 March 2019	<u>7,951,221</u>	<u>29,613</u>	<u>1,342,974</u>	<u>9,323,808</u>
At 31 March 2018	<u>7,973,925</u>	<u>38,210</u>	<u>1,416,656</u>	<u>9,428,791</u>

Included in the net book value of £7,951,221 for land and buildings is £144,782 (historic cost of £144,782) in respect of land which is not depreciated.

Tangible assets held at valuation

The tangible assets of the Smokies Park hotel were professionally valued on an existing use basis on 23 June 2016. The recent acquisition of the Norton Grange hotel is included at its net book value, based on acquisition cost.

The directors have carried out an impairment review and consider that the carrying value above is a reasonable estimate of the value at the balance sheet date.

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property £
At 31 March 2019	
Aggregate cost	6,049,795
Aggregate depreciation	(1,407,996)
Carrying value	<u>4,641,799</u>
At 31 March 2018	
Aggregate cost	6,050,495
Aggregate depreciation	(1,289,896)
Carrying value	<u>4,760,599</u>

SMOKIES ENTERTAINMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

13. Stocks

	2019	2018
	£	£
Raw materials and consumables	<u>34,108</u>	<u>44,516</u>

The amount of stock recognised as an expense during the period was £990,188 (2018: £989,282).

14. Debtors

	2019	2018
	£	£
Trade debtors	250,013	428,058
Amounts owed by group undertakings	108,452	99,077
Prepayments and accrued income	97,197	86,016
Corporation tax repayable	28,984	35,387
Other debtors	200,403	198,553
	<u>685,049</u>	<u>847,091</u>

15. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	815,845	742,132
Amounts owed to group undertakings	1,450,486	1,136,255
Accruals and deferred income	82,451	113,712
Social security and other taxes	109,447	202,024
Other creditors	25,861	25,091
	<u>2,484,090</u>	<u>2,219,214</u>

16. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Amounts owed to group undertakings	<u>5,246,176</u>	<u>5,562,091</u>

Included within creditors: amounts falling due after more than one year is an amount of £3,982,512 (2018: £4,298,428) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The group loan was advanced on 26 March 2008. The loan carries interest at the rate of 1% over Svenska Handelsbanken AB's base rate and is repayable in 60 quarterly instalments following an initial 2 year capital repayment holiday. The loan agreement ends in 31 March 2025 whereby the loan will be repaid or renegotiated.

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17. Provisions

	Deferred tax (note 18)
	£
At 1 April 2018	87,612
Movement for the year	36,992
At 31 March 2019	<u>124,604</u>

18. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019	2018
	£	£
Included in provisions (note 17)	<u>124,604</u>	<u>87,612</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019	2018
	£	£
Accelerated capital allowances	<u>124,604</u>	<u>87,612</u>

19. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £27,072 (2018: £12,748).

20. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	5,000	5,000	5,000	5,000

21. Reserves

The profit and loss account reserve records retained earnings and accumulated losses. The revaluation reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income. The revaluation reserve is non-distributable.

22. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Not later than 1 year	41,470	34,399
Later than 1 year and not later than 5 years	4,307	2,862
	<u>45,777</u>	<u>37,261</u>

SMOKIES ENTERTAINMENTS LIMITED
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23. Guarantees and other financial commitments

A cross company guarantee held by Svenska Handelsbanken AB, is in place secured by a debenture and first priority legal charges over assets held by the following group companies, all of which are controlled by the directors:-

Edgeman Limited;
Craiglands Limited;
Sunderland Hotels Limited;
Gosforth Park Hotels Limited;
George Washington Golf and Country Club;
Smokies Entertainments Limited and
Rohan Developments (Yorkshire) Limited.

At 31 March 2019 there were contingent liabilities in respect of loan facilities granted to Edgeman Limited of £11,343,618 (2018: £11,967,784), Sunderland Hotels Limited amounting to £2,155,052 (2018: £2,275,052), George Washington Golf and Country Club Limited of £4,847,946 (2018: £5,176,350) and Rohan Developments Limited £776,520 (2018: £637,129).

24. Related party transactions

The company has been under the control of the directors throughout the current year. The directors own all the issued share capital in the ultimate parent company, Edgeman Limited.

The accounts do not include disclosure of transactions between the company and entities that are part of the Edgeman Limited group of companies. This is because, as a subsidiary whose shares are 100% controlled within the group, it is exempt from the requirement to disclose such transactions under Financial Reporting Standard 102.

The Edgeman Limited group of companies consist of the parent company, Edgeman Limited, together with its 100% owned subsidiaries, Smokies Entertainments Limited, Sunderland Hotels Limited, Craiglands Limited, Gosforth Park Hotels Limited, Flag Hotels Limited and Ailantus Hotels Limited.

George Washington Golf and Country Club Limited is a company also controlled by the directors. During the year, salaries and other recharges of £1,748 (2018: £1,303) were recharged from the George Washington Golf and Country Club Limited to the company. Other creditors include an amount of £20,761 (2018: £17,571) due to the George Washington Golf and Country Club Limited.

The directors also own all the share capital of Ashton House Care Limited, a company registered in England. The balance due from Ashton House Care Limited as at 31 March 2019 is £200,403 (2018: £168,136) and is included within other debtors in note 9 to the accounts.

25. Controlling party

The company's immediate parent undertaking is Flag Hotels Limited, a company registered in England and Wales.

The company's ultimate parent undertaking is Edgeman Limited, a company also registered in England and Wales. The directors own all of the issued share capital of Edgeman Limited.