

Company Registration No. 02583811 (England and Wales)

SOLITAIRE RESTAURANTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019

SOLITAIRE RESTAURANTS LIMITED

COMPANY INFORMATION

Directors	Mr M Nicholas Mr P Nicholas
Secretary	Mr M Nicholas
Company number	02583811
Registered office	Group Accounts Office Moth Club, Old Trades Hall Valette Street London E9 6NU
Auditor	SPW (UK) LLP Gable House 239 Regents Park Road London N3 3LF

SOLITAIRE RESTAURANTS LIMITED

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SOLITAIRE RESTAURANTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2019

The directors present the strategic report for the year ended 31 May 2019.

Fair review of the business

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are the current economic climate and interest rates.

Key Performance Indicators

The group monitors business performance based on the key performance indicators focusing on increasing profitability, margins and cash flow.

On behalf of the board

Mr M Nicholas

Director

28 January 2020

SOLITAIRE RESTAURANTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2019

The directors present their annual report and financial statements for the year ended 31 May 2019.

Principal activities

The principal activity of the company continued to be that of operation of public houses.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M Nicholas

Mr P Nicholas

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

The auditor, SPW (UK) LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr M Nicholas

Director

28 January 2020

SOLITAIRE RESTAURANTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MAY 2019

The directors are responsible for preparing the annual 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 of 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 judgements 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.

SOLITAIRE RESTAURANTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOLITAIRE RESTAURANTS LIMITED

Opinion

We have audited the financial statements of Solitaire Restaurants Limited (the 'company') for the year ended 31 May 2019 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and 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 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 May 2019 and of its 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 *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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 our 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.

SOLITAIRE RESTAURANTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SOLITAIRE RESTAURANTS LIMITED

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 and the directors' report.

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, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SOLITAIRE RESTAURANTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SOLITAIRE RESTAURANTS LIMITED

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.

Paul Winter (Senior Statutory Auditor)
for and on behalf of SPW (UK) LLP

28 January 2020

Chartered Accountants
Statutory Auditor

Gable House
239 Regents Park Road
London
N3 3LF

SOLITAIRE RESTAURANTS LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MAY 2019

	Notes	2019 £	2018 £
Turnover	3	6,004,716	6,420,988
Cost of sales		(1,685,938)	(1,970,784)
Gross profit		<u>4,318,778</u>	<u>4,450,204</u>
Administrative expenses		(4,242,095)	(3,526,254)
Other operating income		581,186	436,736
Operating profit		<u>657,869</u>	<u>1,360,686</u>
Interest receivable and similar income	6	234,873	211,882
Interest payable and similar expenses	5	(36,510)	(32,080)
Profit before taxation		<u>856,232</u>	<u>1,540,488</u>
Tax on profit	7	(397,040)	(86,012)
Profit for the financial year		<u><u>459,192</u></u>	<u><u>1,454,476</u></u>

The income statement has been prepared on the basis that all operations are continuing operations.

SOLITAIRE RESTAURANTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2019

	2019	2018
	£	£
Profit for the year	459,192	1,454,476
Other comprehensive income	-	-
Total comprehensive income for the year	<u>459,192</u>	<u>1,454,476</u>

SOLITAIRE RESTAURANTS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	9		7,330,905		7,659,375
Current assets					
Stocks	11	65,270		93,113	
Debtors	12	10,546,421		11,460,786	
Cash at bank and in hand		5,265,269		571,141	
		<u>15,876,960</u>		<u>12,125,040</u>	
Creditors: amounts falling due within one year	13	<u>(9,224,431)</u>		<u>(6,090,947)</u>	
Net current assets			<u>6,652,529</u>		<u>6,034,093</u>
Total assets less current liabilities			<u>13,983,434</u>		<u>13,693,468</u>
Creditors: amounts falling due after more than one year	14		(1,076,891)		(1,251,071)
Provisions for liabilities			<u>28,915</u>		<u>33,869</u>
Net assets			<u><u>12,935,458</u></u>		<u><u>12,476,266</u></u>
Capital and reserves					
Called up share capital	17		80		80
Profit and loss reserves			<u>12,935,378</u>		<u>12,476,186</u>
Total equity			<u><u>12,935,458</u></u>		<u><u>12,476,266</u></u>

The financial statements were approved by the board of directors and authorised for issue on 28 January 2020 and are signed on its behalf by:

Mr M Nicholas
Director

Company Registration No. 02583811

SOLITAIRE RESTAURANTS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2019

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 June 2017		80	11,271,710	11,271,790
Year ended 31 May 2018:				
Profit and total comprehensive income for the year		-	1,454,476	1,454,476
Dividends	8	-	(250,000)	(250,000)
Balance at 31 May 2018		80	12,476,186	12,476,266
Year ended 31 May 2019:				
Profit and total comprehensive income for the year		-	459,192	459,192
Balance at 31 May 2019		80	12,935,378	12,935,458

SOLITAIRE RESTAURANTS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	20				
		4,522,183		(2,202,046)	
Interest paid		(36,510)		(32,080)	
Income taxes paid		(390,511)		-	
Net cash inflow/(outflow) from operating activities		4,095,162		(2,234,126)	
Investing activities					
Purchase of tangible fixed assets		(9,924)		(630,742)	
Proceeds on disposal of tangible fixed assets	14			3,324,575	
Interest received		783,861		(470,924)	
Net cash generated from investing activities		773,951		2,222,909	
Financing activities					
Repayment of borrowings		(7,384)		(705,259)	
Repayment of bank loans		(167,601)		(168,407)	
Dividends paid		-		(250,000)	
Net cash used in financing activities		(174,985)		(1,123,666)	
Net increase/(decrease) in cash and cash equivalents		4,694,128		(1,134,883)	
Cash and cash equivalents at beginning of year		571,141		1,706,024	
Cash and cash equivalents at end of year		5,265,269		571,141	

SOLITAIRE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

Company information

Solitaire Restaurants Limited is a private company limited by shares incorporated in England and Wales. The registered office is Group Accounts Office, Moth Club, Old Trades Hall, Valette Street, London, E9 6NU.

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.

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 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 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:

Land and buildings Freehold	1% on reducing balance
Land and buildings Leasehold	over the term of the lease
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

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.

SOLITAIRE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

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

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position 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.

SOLITAIRE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including 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.

SOLITAIRE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

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 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.11 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 income statement 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.

SOLITAIRE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(Continued)

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 income statement, 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.

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

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.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019	2018
	£	£
Other significant revenue		
Interest income	234,873	211,882
	<u> </u>	<u> </u>

SOLITAIRE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

4 Employees

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

2019 Number	2018 Number
58	62

Their aggregate remuneration comprised:

2019 £	2018 £
1,228,547	1,265,662

Wages and salaries

5 Interest payable and similar expenses

2019 £	2018 £
Interest on financial liabilities measured at amortised cost:	
Interest on bank overdrafts and loans	32,885
Other finance costs:	
Other interest	3,625
36,510	32,080

Interest on financial liabilities measured at amortised cost:

Interest on bank overdrafts and loans

Other finance costs:

Other interest

6 Interest receivable and similar income

2019 £	2018 £
Interest income	
Interest on bank deposits	12,825
Interest receivable from group companies	222,048
Total income	234,873

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss

12,825	683
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SOLITAIRE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

7 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	393,706	317,335
Adjustments in respect of prior periods	(1,619)	(160,616)
Total current tax	392,087	156,719
Deferred tax		
Origination and reversal of timing differences	4,953	(70,707)
Total tax charge	397,040	86,012

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	856,232	1,540,488
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	162,684	292,693
Tax effect of expenses that are not deductible in determining taxable profit	291,354	62,716
Adjustments in respect of prior years	-	(160,616)
Effect of change in corporation tax rate	-	(208)
Group relief	(46,001)	(22,726)
Permanent capital allowances in excess of depreciation	(14,331)	(15,140)
Under/(over) provided in prior years	(1,619)	-
Deferred tax	4,953	(70,707)
Taxation charge for the year	397,040	86,012

8 Dividends

	2019 £	2018 £
Final paid	-	250,000

SOLITAIRE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

9 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 June 2018	1,743,744	6,716,123	802,826	22,797	9,285,490
Additions	-	-	9,924	-	9,924
Disposals	-	(14,041)	(18,515)	-	(32,556)
At 31 May 2019	1,743,744	6,702,082	794,235	22,797	9,262,858
Depreciation and impairment					
At 1 June 2018	110,482	871,807	622,148	21,678	1,626,115
Depreciation charged in the year	16,333	253,173	45,332	280	315,118
Eliminated in respect of disposals	-	(1,123)	(8,157)	-	(9,280)
At 31 May 2019	126,815	1,123,857	659,323	21,958	1,931,953
Carrying amount					
At 31 May 2019	1,616,929	5,578,225	134,912	839	7,330,905
At 31 May 2018	1,633,262	5,844,316	180,678	1,119	7,659,375

10 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	10,362,327	11,426,704
Carrying amount of financial liabilities		
Measured at amortised cost	9,982,412	6,996,690

11 Stocks

	2019 £	2018 £
Finished goods and goods for resale	65,270	93,113

SOLITAIRE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

12 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	89,593	149,870
Amounts owed by group undertakings	9,209,657	9,806,447
Other debtors	993,867	1,260,003
Prepayments and accrued income	253,304	244,466
	<u>10,546,421</u>	<u>11,460,786</u>

13 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans	15	167,602	168,407
Trade creditors		301,865	671,173
Amounts owed to group undertakings		7,502,270	4,366,061
Corporation tax		318,910	317,335
Other taxation and social security		-	27,993
Other creditors		166,688	132,027
Accruals and deferred income		767,096	407,951
		<u>9,224,431</u>	<u>6,090,947</u>

14 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Bank loans and overdrafts	15	1,076,891	1,243,687
Other borrowings	15	-	7,384
		<u>1,076,891</u>	<u>1,251,071</u>

15 Loans and overdrafts

	2019 £	2018 £
Bank loans	1,244,493	1,412,094
Other loans	-	7,384
	<u>1,244,493</u>	<u>1,419,478</u>
Payable within one year	167,602	168,407
Payable after one year	1,076,891	1,251,071

SOLITAIRE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

15 Loans and overdrafts

(Continued)

The long-term loans are secured by fixed charges over the freehold and leasehold properties.

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
ACAs	(28,915)	(33,869)
	<u> </u>	<u> </u>
Movements in the year:		2019 £
Asset at 1 June 2018		(33,869)
Charge to profit or loss		4,954
		<u> </u>
Asset at 31 May 2019		(28,915)
		<u> </u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

17 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
80 Ordinary of £1 each	80	80
	<u> </u>	<u> </u>

18 Related party transactions

The following amounts were outstanding at the reporting end date:

Creditors includes amounts due to related companies other than wholly owned subsidiaries:

Bruce Bar Limited £84,443 (2018 - £711,743),
 BB Bar 1 Limited £23,797 (2018 - £13,113),
 Havhill Limited £13,038 (2018 - 157,582),
 Rose Two Limited £3,025,132 (2018 - £2,895,272 Dr),
 Rose Four Limited £64,041 (2018 - 672,767),
 Rose Seven Limited £51,061 (2018 - £11,796), and
 Rose Fifteen Limited £18,485 (2018 - £53,250).

SOLITAIRE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

18 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

Debtors includes amounts due from related companies other than wholly owned subsidiaries:

Rose Three Limited £1,378(2018 - £Nil),
 Rose Five Limited £ 2,009,031 (2018 - £1,433,872),
 Rose Nine Limited £641,527 (2018 - £617,256),
 Rose Ten Limited £227,039 (2018 - £428,805),
 Rose Eleven Limited £2,448,932 (2018 - £2,511,514),
 Rose Twelve Limited £595 (2018 - £Nil),
 Rose Thirteen Limited £1,802,456 (2018 - £1,802,456),
 Rose Fourteen Limited £298 - (2018 - £Nil),
 Rose Sixteen Limited £1,448 (2018 - £903),
 Lily Five Limited £3,293 (2018 - £Nil),
 Leecove Limited £282,352 (2018 - 85,341 Cr),
 Upinsmoke Limited £410,739 (2018: £410,739),
 Stillsmokin Limited £298,546(2018: £298,546),
 Smokemeats Limited £1916 (2018 - £Nil),
 Revenbourne Heights Limited £985,327 (2018 - £90,000), and
 Bodeans Holdings Limited £660,187 (2018 - £660,187).

Other Debtors includes amounts due from directors of £269,161 this amount has been repaid.

19 Ultimate controlling party

The ultimate parent company is Solitaire Restaurants Holdings Limited, a company registered in England and Wales.

Solitaire Restaurants Holdings Limited prepares group financial statements.

20 Cash generated from/(absorbed by) operations

	2019 £	2018 £
Profit for the year after tax	459,192	1,454,476
Adjustments for:		
Taxation charged	397,040	86,012
Finance costs	36,510	32,080
Investment income	(234,873)	(211,882)
Loss/(gain) on disposal of tangible fixed assets	23,263	(1,092)
Depreciation and impairment of tangible fixed assets	315,118	330,086
Movements in working capital:		
Decrease/(increase) in stocks	27,843	(27,177)
Decrease in debtors	365,377	141,386
Increase/(decrease) in creditors	3,132,713	(4,005,935)
Cash generated from/(absorbed by) operations	4,522,183	(2,202,046)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.