

Company registration number 02583811 (England and Wales)

SOLITAIRE RESTAURANTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

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 2022

The directors present the strategic report for the year ended 31 May 2022.

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

22 February 2023

SOLITAIRE RESTAURANTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2022

The directors present their annual report and financial statements for the year ended 31 May 2022.

Principal activities

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

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.

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

Auditor

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

Statement of directors' responsibilities

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.

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.

SOLITAIRE RESTAURANTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

On behalf of the board

Mr M Nicholas
Director

22 February 2023

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 2022 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 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 company's affairs as at 31 May 2022 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The objectives of our audit, in respect to detecting irregularities including fraud, are:

- to identify and assess the risks of material misstatement of the financial statements due to fraud;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

The audit team obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006), the relevant UK tax compliance regulations and Data Protection Regulation (GDPR).

We understood how the company complies with laws and regulations by making enquiries of management, finance team, those responsible for legal and compliance procedures. We made enquiries through our review of board minutes and internal controls process documentation and considered the results of our audit procedures.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to discuss areas where we considered there was susceptibility to fraud. We considered the internal controls that the company has implemented to address any risks identified, or to prevent, deter and detect fraud, and how senior management monitor them.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

SOLITAIRE RESTAURANTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SOLITAIRE RESTAURANTS LIMITED

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

The key audit areas identified at planning included revenue recognition, accounting estimates and management override of controls (testing manual journals). We planned and designed our work to provide reasonable assurance that the financial statements were free from fraud or error. However due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected an irregularity or fraud that could result in a material misstatement in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

22 February 2023

Chartered Accountants
Statutory Auditor

Gable House
239 Regents Park Road
London
N3 3LF

SOLITAIRE RESTAURANTS LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MAY 2022

	Notes	2022 £	2021 £
Turnover	3	5,464,720	1,894,872
Cost of sales		(1,524,054)	(520,847)
Gross profit		3,940,666	1,374,025
Administrative expenses		(4,146,919)	(1,451,019)
Other operating income		529,291	724,230
Operating profit		323,038	647,236
Interest receivable and similar income	7	60,785	7,279
Interest payable and similar expenses	5	(16,168)	(27,822)
Profit before taxation		367,655	626,693
Tax on profit	6	(237,287)	(85,211)
Profit for the financial year		130,368	541,482

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 2022

	2022	2021
	£	£
Profit for the year	130,368	541,482
Other comprehensive income	-	-
Total comprehensive income for the year	<u>130,368</u>	<u>541,482</u>

SOLITAIRE RESTAURANTS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	9		5,204,480		5,484,864
Current assets					
Stocks	11	70,127		53,668	
Debtors	12	759,795		893,443	
Cash at bank and in hand		3,858,360		6,313,264	
		<u>4,688,282</u>		<u>7,260,375</u>	
Creditors: amounts falling due within one year	14	<u>(5,819,422)</u>		<u>(8,689,247)</u>	
Net current liabilities			<u>(1,131,140)</u>		<u>(1,428,872)</u>
Total assets less current liabilities			4,073,340		4,055,992
Creditors: amounts falling due after more than one year	13		(975,803)		(1,084,226)
Provisions for liabilities					
Deferred tax liability	16	<u>(24,144)</u>	24,144	<u>(19,547)</u>	19,547
Net assets			<u>3,121,681</u>		<u>2,991,313</u>
Capital and reserves					
Called up share capital	17		80		80
Profit and loss reserves			<u>3,121,601</u>		<u>2,991,233</u>
Total equity			<u>3,121,681</u>		<u>2,991,313</u>

The financial statements were approved by the board of directors and authorised for issue on 22 February 2023 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 2022

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 June 2020		80	7,449,751	7,449,831
Year ended 31 May 2021:				
Profit and total comprehensive income for the year		-	541,482	541,482
Dividends	8	-	(5,000,000)	(5,000,000)
Balance at 31 May 2021		80	2,991,233	2,991,313
Year ended 31 May 2022:				
Profit and total comprehensive income for the year		-	130,368	130,368
Balance at 31 May 2022		80	3,121,601	3,121,681

SOLITAIRE RESTAURANTS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	20				
		(2,062,082)		11,130,320	
Interest paid		(16,168)		(27,822)	
Income taxes (paid)/refunded		(302,724)		190,462	
Net cash (outflow)/inflow from operating activities		(2,380,974)		11,292,960	
Investing activities					
Purchase of tangible fixed assets		(17,062)		(13,470)	
Interest received		51,555		(50,605)	
Net cash generated from/(used in) investing activities			34,493		(64,075)
Financing activities					
Repayment of bank loans		(108,423)		(40,074)	
Dividends paid		-		(5,000,000)	
Net cash used in financing activities		(108,423)		(5,040,074)	
Net (decrease)/increase in cash and cash equivalents		(2,454,904)		6,188,811	
Cash and cash equivalents at beginning of year		6,313,264		124,453	
Cash and cash equivalents at end of year		3,858,360		6,313,264	

SOLITAIRE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022

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 2022

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 cost and replacement 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 2022

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 2022

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 2022

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.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 Foreign exchange

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

SOLITAIRE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

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:

	2022	2021
	£	£
Other revenue		
Interest income	60,785	7,279
Grants received	59,083	329,667

4 Employees

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

2022	2021
Number	Number
44	42

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	1,138,273	390,214

5 Interest payable and similar expenses

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	15,356	25,690
Other finance costs:		
Other interest	812	2,132
	16,168	27,822

SOLITAIRE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

6 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	246,984	79,477
Adjustments in respect of prior periods	(5,100)	(4,461)
Total current tax	241,884	75,016
Deferred tax		
Origination and reversal of timing differences	(4,597)	10,195
Total tax charge	237,287	85,211

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:

	2022 £	2021 £
Profit before taxation	367,655	626,693
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	69,854	119,072
Tax effect of expenses that are not deductible in determining taxable profit	175,256	57,409
Group relief	(43,329)	(75,878)
Permanent capital allowances in excess of depreciation	45,203	(10,931)
Under/(over) provided in prior years	(5,100)	(4,461)
Deferred tax	(4,597)	-
Taxation charge for the year	237,287	85,211

7 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	747	522
Interest receivable from group companies	60,038	6,757
Total income	60,785	7,279
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	747	522

SOLITAIRE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

8 Dividends

	2022 £	2021 £
Interim paid	-	5,000,000

9 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 June 2021	371,516	6,702,082	816,152	22,797	7,912,547
Additions	-	-	17,062	-	17,062
Disposals	-	-	(3,305)	-	(3,305)
At 31 May 2022	371,516	6,702,082	829,909	22,797	7,926,304
Depreciation and impairment					
At 1 June 2021	19,991	1,659,941	725,427	22,324	2,427,683
Depreciation charged in the year	3,515	268,042	24,725	118	296,400
Eliminated in respect of disposals	-	-	(2,259)	-	(2,259)
At 31 May 2022	23,506	1,927,983	747,893	22,442	2,721,824
Carrying amount					
At 31 May 2022	348,010	4,774,099	82,016	355	5,204,480
At 31 May 2021	351,525	5,042,141	90,725	473	5,484,864

10 Financial instruments

	2022 £	2021 £
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11 Stocks

	2022 £	2021 £
Finished goods and goods for resale	70,127	53,668

SOLITAIRE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

12 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	343,456	122,735
Amounts owed by group undertakings	113,691	456,910
Other debtors	152,633	301,964
Prepayments and accrued income	150,015	11,834
	<u>759,795</u>	<u>893,443</u>

13 Creditors: amounts falling due after more than one year

	Notes	2022	2021
		£	£
Bank loans and overdrafts	15	<u>975,803</u>	<u>1,084,226</u>

14 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	427,947	153,300
Amounts owed to group undertakings	9,350,953	12,580,128
Corporation tax	193,434	254,274
Other taxation and social security	23,648	-
Other creditors	159,056	165,383
Accruals and deferred income	342,573	214,351
	<u>10,497,611</u>	<u>13,367,436</u>

15 Loans and overdrafts

	2022	2021
	£	£
Bank loans	<u>975,803</u>	<u>1,084,226</u>
Payable after one year	<u>975,803</u>	<u>1,084,226</u>

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

SOLITAIRE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

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 2022 £	Liabilities 2021 £
Balances:		
ACAs	(24,144)	(19,547)
Movements in the year:		2022 £
Asset at 1 June 2021		(19,547)
Credit to profit or loss		(4,597)
Asset at 31 May 2022		(24,144)

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

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary of £1 each	80	80	80	80

18 Related party transactions

During the year the company entered into the loans with related parties:

The following amounts were outstanding/(due) at the reporting end date:

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

Solitaire Holdings Limited £4,678,189 (2021 - £1,002,768)

Bruce Bar Limited £Nil (2021 - £6,518)

Rose Two Limited £9,576 (2021 - £1,801,523)

Rose Three Limited £Nil (2021 - £20,985),

Rose Fifteen Limited £15,000 (2021 - £68,153),

Tight End Limited £Nil (2021 - £3,265) and

Smokemeats Limited £Nil (2021 - £156).

The following amounts were outstanding at the reporting end date:

SOLITAIRE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

18 Related party transactions

(Continued)

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

BB Bar 2 Limited £93,352 (2021 - £318,140),
 Havhill Limited £Nil (2021 - £Nil),
 Rose Fourteen Limited £Nil - (2021 - £595),
 Rose Sixteen Limited £20,339 (2021 - £1,746),
 South London Pubs Limited £25,276 (2021 - £38,895),
 Leecove Limited £Nil (2021 - 135,931),
 Stillsmokin Limited £294,080 (2021: £304,619), and
 Bodeans Holdings Limited £1,336,560 (2021 - £405,164).

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 (absorbed by)/generated from operations

	2022 £	2021 £
Profit for the year after tax	130,368	541,482
Adjustments for:		
Taxation charged	237,287	85,211
Finance costs	16,168	27,822
Investment income	(60,785)	(7,279)
Loss on disposal of tangible fixed assets	1,046	-
Depreciation and impairment of tangible fixed assets	296,400	302,154
Movements in working capital:		
Increase in stocks	(16,459)	(8,775)
Decrease in debtors	142,878	4,105,301
(Decrease)/increase in creditors	(2,808,985)	6,084,404
Cash (absorbed by)/generated from operations	(2,062,082)	11,130,320

21 Analysis of changes in net funds

	1 June 2021 £	Cash flows £	31 May 2022 £
Cash at bank and in hand	6,313,264	(2,454,904)	3,858,360
Borrowings excluding overdrafts	(1,084,226)	108,423	(975,803)
	5,229,038	(2,346,481)	2,882,557

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.