

Dominion Hospitality Limited

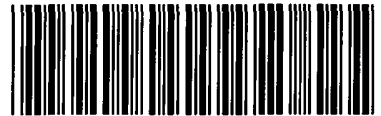
Report and Financial Statements

Period Ended

2 April 2017

Company Number 10342187

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Dominion Hospitality Limited

**Report and financial statements
for the period ended 2 April 2017**

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Directors

Karthik Achar
William Buchanan
Samuel Kennedy
Michael Livanos
Michael Stewart

Registered office

31 Haverscroft Industrial Estate, New Road, Attleborough, NR17 1YE

Company number

10342187

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Dominion Hospitality Limited

Strategic report for the period ended 2 April 2017

Results

The consolidated income statement for the period from incorporation on 23 August 2016 to 2 April 2017 is set out on page 7. The company changed its name on 5 September 2016 from UK Holdco Dominion Hospitality Limited to Dominion Hospitality Limited.

Principal activities, review of the business and future developments

The principal activities of Dominion Hospitality Limited ("the company") and its subsidiaries ("the group") is the direct management and operation of freehold pubs, restaurants and hotels that the group owns. On 2 November 2016 the company purchased Dominion Pubs and Bars Limited (formerly Chapman Group Limited) and Dominion Hotels and Inns Limited (formerly Saviour Inns Limited) for a consideration of £14,206,000 including transaction costs.

Business review

The consolidated income statement for the period is set out on page 7. Revenues amounted to £4,749,000 and operating profit amounted to £250,000. The directors consider these measures to be the key performance indicators of the Group. The group balance sheet at 2 April 2017 should net liabilities of £595,000.

Principal risks and uncertainties

Economic climate

The economic environment, particularly with regard to consumer confidence and spending, remains very uncertain and any further increases in VAT and duty on alcohol will put additional pressure on revenues. However, there are many other factors involved in the ability of individual sites to attract customers and the Group continues to work with its managers to enhance the trading potential of each site.

Recruitment and retention of managers

The recruitment and retention of highly skilled and professional managers continues to be a principal focus of the Group's management team since this is a key driver for the overall quality and profitability of the business. The market for good managers is very competitive and the Group continues to work closely with current and prospective managers to ensure the Group offers the right physical and business environment for all parties to prosper.

Credit risk

The balance sheet at 2 April 2017 shows debtors of £772,000 but the group is not exposed to significant credit risk as the majority of these amounts are prepayments.

Financing

The group is financed by a bank loan and a loan from its parent company. The bank loan is repayable by instalments over its term. Whilst the loan due to the company's parent is due on demand, the parent company has confirmed that in the one year from approval of the financial statements that it will not seek repayment until the company is in a position to make payments.

Dominion Hospitality Limited

Strategic report
for the period ended 2 April 2017 (*continued*)

Principal risks and uncertainties (*continued*)

Information technology

The daily operation of the group is reliant on information technology for accounting, reporting and communications. There is a risk that serious disruption could occur if any of these systems were to fail for a significant period of time.

The risk is mitigated by business continuity plans to allow the business to function in the event of a major systems failure. The Group has controls in place to protect data including off site back up of data.

Approval

This strategic report was approved by order of the Board on 4 December 2017



W Buchanan
Director

Dominion Hospitality Limited

Report of the directors for the period ended 2 April 2017

Directors

The directors during the period were:

Karthik Achar	(appointed 23 August 2016)
William Buchanan	(appointed 2 November 2016)
Samuel Kennedy	(appointed 2 November 2016)
Michael Livanos	(appointed 2 November 2016)
Michael Stewart	(appointed 2 November 2016)

Charitable donations

The group made no charitable donations during the period.

Creditor payment policy

The group's policy for the period to 2 April 2017, for all suppliers, is to abide by the agreed terms of payment. The number of day's purchases represented by period-end trade creditors at 2 April 2017 was 45 days.

Statement of Directors' responsibilities

The directors are responsible for preparing the 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 period. Under that law the directors have elected to prepare the group and company 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 group and company and of the profit or loss of the group for that period.

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

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

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

Dominion Hospitality Limited

Report of the directors for the period ended 2 April 2017 (continued)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



W Buchanan
Director

Date 4 November 2017

Dominion Hospitality Limited

Independent auditors report

TO THE MEMBERS OF DOMINION HOSPITALITY LIMITED

We have audited the financial statements of Dominion Hospitality Limited for the period 23 August 2016 to 2 April 2017 which comprise the consolidated income statement, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 2 April 2017 and of the group's loss 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.

Opinion 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Dominion Hospitality Limited

Independent auditors report (*continued*)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

Geraint Jones, (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

4 December 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Dominion Hospitality Limited

Consolidated income statement for the period ended 2 April 2017

	Note	£'000
Turnover	4	4,749
Cost of sales		(3,558)
Gross profit		1,191
Administrative expenses	5	(941)
Operating profit	6	250
Interest payable and similar charges	7	(845)
Loss on ordinary activities before taxation		(595)
Taxation on loss on ordinary activities	8	-
Loss on ordinary activities after taxation		(595)

All amounts relate to continuing activities.

There are no other items of recognised gains or losses other than those shown in the consolidated income statement, and there was no other comprehensive income for the period.

The notes on pages 12 to 23 form part of these financial statements.

Dominion Hospitality Limited

Consolidated statement of financial position at 2 April 2017

Company number 10342187	Note	£'000	£'000
Fixed assets			
Goodwill	9		1,640
Tangible assets	10		30,485
			<hr/>
			32,125
Current assets			
Stocks	13	207	
Debtors	14	772	
Cash at bank and in hand		1,550	
		<hr/>	
		2,530	
Creditors: amounts falling due within one year	15	(19,534)	
		<hr/>	
Net current liabilities			(17,004)
			<hr/>
Total assets less current liabilities			15,121
Creditors: amounts falling due after more than one year	16		(14,440)
Provision for liabilities	18		(1,276)
			<hr/>
Net liabilities			(595)
			<hr/>
Capital and reserves			
Called up share capital	19		-
Profit and loss account			(595)
			<hr/>
Shareholders' deficit			(595)
			<hr/>

The financial statements were approved by the Board and authorised for issue on 4 December 2017



W Buchanan
Director

The notes on pages 12 to 23 form part of these financial statements.

Dominion Hospitality Limited

Consolidated statement of changes in equity for the period ended 2 April 2017

	Profit and loss account £'000	Total equity £'000
At 23 August 2016	-	-
Total comprehensive charge	(595)	(595)
	<hr/>	<hr/>
At 2 April 2017	(595)	(595)
	<hr/>	<hr/>

The notes on pages 12 to 23 form part of these financial statements.

Dominion Hospitality Limited

Company financial position
at 2 April 2017

Company number 10342187	Note	£'000	£'000
Fixed assets			
Investments	12		14,206
Current assets			
Debtors	14	16,163	
Cash at bank and in hand		609	
		<u>16,772</u>	
Creditors: amounts falling due within one year	15	(17,847)	
Net current liabilities			<u>(1,075)</u>
Total assets less current liabilities			<u>13,131</u>
Creditors: amounts falling due after more than one year	16		(14,440)
Provision for liabilities	18		-
Net liabilities			<u>(1,309)</u>
Capital and reserves			
Called up share capital	19		-
Profit and loss account			(1,309)
Shareholders' deficit			<u>(1,309)</u>

The loss after tax of the company for the period was :£1,309,000.

The financial statements were approved by the Board and authorised for issue on 4 December 2017

W Buchanan
Director



The notes on pages 12 to 23 form part of these financial statements.

Dominion Hospitality Limited

Company statement of changes in equity for the period ended 2 April 2017

	Profit and loss account £'000	Total equity £'000
At 23 August 2016	-	-
Total comprehensive charge	(1,309)	(1,309)
	<hr/>	<hr/>
At 2 April 2017	(1,309)	(1,309)
	<hr/>	<hr/>

The notes on pages 12 to 23 form part of these financial statements.

Dominion Hospitality Limited

Notes forming part of the financial statements for the period ended 2 April 2017

1 Accounting policies

Dominion Hospitality Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement has been presented as this is included in the consolidated financial statements prepared by its ultimate parent company; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

Going concern

The Directors have made an assessment of the group's ability to continue as a going concern and are satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. In addition the company has received an undertaking from its immediate parent company that no amounts owed by the company will be called for repayment for a period of at least 12 months from the date of approval of these financial statements unless the company is in a position to make payments without adversely affecting its ability to continue to trade and settle any future obligations. Therefore, the financial statements have been prepared on a going concern basis.

Basis of consolidation

The consolidated financial statements present the results of Dominion Hospitality Limited and its subsidiaries ("the group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Turnover

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of the business, net of discounts and VAT. Turnover is wholly derived in the United Kingdom.

Dominion Hospitality Limited

Notes forming part of the financial statements for the period ended 2 April 2017 (*continued*)

1 Accounting policies (*continued*)

Goodwill

Goodwill arising on an acquisition of a subsidiary is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of the useful economic life which is 5 years. Impairment tests are undertaken at the end of the first full year after acquisition or if circumstances change which may indicate an impairment.

The need for any amortisation or impairment of goodwill will be assessed by considering the higher of its original acquisition value compared to its current fair value. These assessments will be carried out annually or when there are any other adverse events or changes in circumstances that cast doubt on the recoverability of the capitalised value of goodwill or intangible asset.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following rate:

Freehold buildings-	- 50 years
Fixtures and fittings	- 3-10 years
Plant and equipment	- 10 years
Computer Equipment	- 3 years
Motor Vehicles	- 4 years

Stock

Stock is valued at the lower of cost and net realisable value.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

Investments

Parent company investments in subsidiaries are stated at cost less provision for any impairment.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on such assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Dominion Hospitality Limited

Notes forming part of the financial statements for the period ended 2 April 2017 (*continued*)

1 Accounting policies (*continued*)

Reserves

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

Critical accounting policies, estimates and judgements

The Group makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate are set out below.

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether there are specific debtor provisions required. Factors taken into consideration in reaching such a decision include the assessment of the legal and commercial recoverability of the individual debtor.
- Determine whether there are indicators of impairment of the group's stock held as at the period end. Factors taken into consideration in reaching such a decision include the assessment of the shelf life of the stock items held.

3 Financial risk management

The Directors are responsible for ensuring that the Group's risks are appropriately monitored and, to the extent that elements of this are delegated to third party service providers, the Directors are responsible for ensuring that the relevant parties are discharging their duties in accordance with the terms of the relevant agreements.

The Directors are responsible for the operational risk oversight of the Group and the maintenance of the Group's assets, ensuring the establishment of appropriate and consistent procedures for effective management of the Group's resources.

The significant types of risk that the Group is exposed to are detailed below.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due or can only do so at a significantly increased cost.

Dominion Hospitality Limited

Notes forming part of the financial statements
for the period ended 2 April 2017 (*continued*)

3 Financial risk management (*continued*)

A detailed analysis of the maturity profile of the Company's financial assets and financial liabilities is shown below.

	Less than 12 months £'000	1-5 years £'000	Total £'000
Financial assets:			
Debtors	176	-	176
Cash and cash equivalents	1,550	-	1,550
	<u>1,726</u>	<u>-</u>	<u>1,726</u>
Financial liabilities:			
Creditors	(19,534)	(14,440)	(33,974)
Net	<u>(19,534)</u>	<u>(14,440)</u>	<u>(33,974)</u>

Financial liabilities (maturity)

The maturity groupings are based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Group can be required to pay. Financial liabilities comprise trade and other payables, accruals, bank loans and amounts payable to group companies.

Financial assets (maturity)

The maturity groupings are based on the period from the end of the reporting period to the contractual maturity date or if earlier, the expected date the assets will be realised. Financial assets comprise cash, trade and other receivables.

Credit risk

The statement of financial activities at 2 April 2017 shows debtors of £772,000 but the group is not exposed to significant credit risk. The majority of the prepayments and accrued income on which there is no credit risk.

Capital risk management

The capital of the Group is regarded as the called-up share capital on ordinary shares and retained earnings. The Group's objective when managing capital is to safeguard the ability to continue as a going concern in order to provide returns to shareholders and to maintain a strong capital base to support the activities of the Group.

The Directors regularly review expenses and cash flow forecasts in order to maintain a strong capital base.

Dominion Hospitality Limited

Notes forming part of the financial statements
for the period ended 2 April 2017 (*continued*)

4 Turnover

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of the business, net of discounts and VAT. Turnover is wholly derived from the United Kingdom.

- *Drink and food sales*

Revenue in respect of drink and food sales is recognised at the point at which the goods are provided, net of discounts.

- *Machine income*

The Group's share of net machine income is recognised in the period to which it relates.

- *Accommodation income*

Revenue is recognised at the point the guest stays at the premises.

	£'000
Drink sales	2,889
Food sales	405
Machine income	60
Accommodation income	1,377
Miscellaneous income	18
	<hr/>
	4,749
	<hr/>

5 Employees and directors

£'000

Staff costs consist of:

Wages and salaries	344
Social security costs	15
	<hr/>
	359
	<hr/>

No director receives any emoluments from the Group.

Dominion Hospitality Limited

Notes forming part of the financial statements
for the period ended 2 April 2017 (continued)

6	Group operating profit	£'000
	This has been arrived at after charging:	
	Depreciation of fixed assets	292
	Amortisation of goodwill	149
	Auditors' remuneration - parent	15
	Auditors' remuneration - subsidiaries	20
		<hr/>
7	Interest payable and similar charges	£'000
	Bank loan interest	180
	Finance charges	20
	On group borrowings	645
		<hr/>
		845
		<hr/>
8	Taxation on loss from ordinary activities	£'000
	Analysis of tax charge in period:	
	<i>Current tax:</i>	
	UK corporation tax on loss for the period	-
		<hr/>
	Taxation on loss on ordinary activities	-
		<hr/>
	The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below:	
		£'000
	Loss on ordinary activities before tax	(595)
		<hr/>
	Loss on ordinary activities multiplied by standard rate of UK corporation tax of 19%	(113)
	Effects of:	
	Items not allowable for tax purposes	96
	Other adjustments	17
		<hr/>
	Current tax charge for period	-
		<hr/>

Dominion Hospitality Limited

Notes forming part of the financial statements
for the period ended 2 April 2017 *(continued)*

9	Goodwill	£'000
	<i>Cost</i>	
	Additions	1,789
		<hr/>
	At 2 April 2017	1,789
		<hr/>
	<i>Amortisation</i>	
	Charge for period	149
		<hr/>
	At 2 April 2017	149
		<hr/>
	Net book value	
	At 2 April 2017	1,640
		<hr/> <hr/>

Dominion Hospitality Limited

Notes forming part of the financial statements
for the period ended 2 April 2017 (*continued*)

10 Tangible fixed assets

Group	Freehold properties £	Fixtures and fittings £	Plant and equipment £	Computer equipment £	Motor vehicles £	Total £
<i>Cost</i>						
Additions on acquisition	29,826	669	-	37	19	30,581
Additions – other	-	136	60	-	-	196
	<u>29,826</u>	<u>805</u>	<u>60</u>	<u>37</u>	<u>19</u>	<u>30,777</u>
At 2 April 2017	29,826	835	60	37	19	30,777
	<u>29,826</u>	<u>835</u>	<u>60</u>	<u>37</u>	<u>19</u>	<u>30,777</u>
<i>Depreciation</i>						
Charge for the period	124	158	1	4	5	292
	<u>124</u>	<u>158</u>	<u>1</u>	<u>4</u>	<u>5</u>	<u>292</u>
At 2 April 2017	124	158	1	4	5	292
	<u>124</u>	<u>158</u>	<u>1</u>	<u>4</u>	<u>5</u>	<u>292</u>
<i>Carrying amount</i>						
At 2 April 2017	29,702	677	59	33	14	30,485
	<u>29,702</u>	<u>677</u>	<u>59</u>	<u>33</u>	<u>14</u>	<u>30,485</u>

Dominion Hospitality Limited

Notes forming part of the financial statements
for the period ended 2 April 2017 (*continued*)

11 Fixed asset investments

	Subsidiary undertakings £
Cost	
Additions	14,206
As at 2 April 2017	<u>14,206</u>

The principal trading subsidiary undertakings at the balance sheet date were:

Company	Country of registration	Nature of business	Class	Shares held %
Subsidiary undertakings:				
<i>Directly held:</i>				
Dominion Pubs and Bars Limited (formerly Chapman Group Limited)	England	Pub management	Ordinary	100
Dominion Hotels and Inns Limited (formerly Saviour Inns Limited)	England	Pub management	Ordinary	100

The registered office of all the subsidiaries is 31 Haverscroft Industrial Estate, New Road, Attleborough, NR17 1YE.

12 Goodwill

On 2 November 2016, the group purchased Chapman Group Limited and Saviour Inns Limited for a consideration of £14,206,000 including transaction costs.

	Book value £'000	Fair value adjustment £'000	Fair value £'000
The book and fair value of the assets acquired were:			
Tangible fixed assets	25,444	5,137	30,581
Stock	181	-	181
Debtors: amounts due within one year	2,537	-	2,537
Cash at bank and in hand	905	-	905
Creditors: amounts due within one year	(20,511)	-	(20,511)
Deferred tax provision	-	(1,276)	(1,276)
Net assets	<u>8,556</u>	<u>3,861</u>	<u>12,417</u>
Cash consideration			13,455
Transaction costs			751
Net assets acquired			<u>(12,417)</u>
Goodwill on acquisition			<u>1,789</u>

Dominion Hospitality Limited

Notes forming part of the financial statements
for the period ended 2 April 2017 (*continued*)

12 Goodwill (*continued*)

The results of Chapman Group Limited & Saviour Inns Limited since its acquisition are as follows:

	£'000
Turnover	4,749
Profit for the year	346

The goodwill carried forward of £1,789,000 relates to the acquisition of the business.

13 Stock

	Group £'000
Goods held for resale	207

14 Debtors

	Group £'000	Company £'000
Trade debtors	6	-
Other debtors	170	168
Prepayments and accrued income	596	43
Amounts due from group undertakings	-	15,952
	<u>772</u>	<u>16,163</u>

Amounts due from group undertakings is interest free and due on demand.

15 Creditors: amounts falling due within one year

	Group £'000	Company £'000
Trade creditors	833	71
Other creditors	929	195
Accruals and deferred income	442	251
Amount due to group undertaking	16,263	16,263
Bank loans	1,067	1,067
	<u>19,534</u>	<u>17,847</u>

Amount due to group undertaking charge interest at 10% per annum and is due on demand.

Dominion Hospitality Limited

Notes forming part of the financial statements
for the period ended 2 April 2017 (*continued*)

16 Creditors: amounts falling due after more than one year

	Group 2017 £,000	Company 2017 £,000
Bank loan	14,440	1,444

17 Loan maturity

	Group 2017 £,000	Company 2017 £,000
Repayable as follows:		
Within one year	1,067	1,067
After one year and within five years	14,440	14,440
	15,507	15,507

The bank loan includes accrued interest at 2.5% per annum plus three month LIBOR. The loan is repayable quarterly until the loan matures in November 2021. The bank loan is stated net of finance costs of £226,000. The bank loan is secured on the group's assets

18 Provisions

The components of the deferred tax liability is set out below:

	Group 2017 £,000	Company 2017 £,000
Deferred tax liability Recognised on freehold properties	1,276	-

The increase in the liability in the period arises from the acquisition of subsidiaries.

19 Share capital

	£
<i>Authorised</i> Equity interests	1
<i>Issued, called up and fully paid</i> Equity interests Ordinary shares of £1 each	1

Dominion Hospitality Limited

**Notes forming part of the financial statements
for the period ended 2 April 2017 (*continued*)**

20 Related party transactions

The company has taken advantage of the exemption under FRS 102 not to disclose any transactions with wholly owned subsidiaries that are included in the consolidated financial statements of Dominion Hospitality Limited.

The Group paid management fees of £113,333 for the period, to LT Management Services Limited and W Buchanan is a common director of this company. There were no amounts outstanding as at the period end.

The Group paid management fees of £48,736 for the period, to Pebble Solutions Limited and S Kennedy is a common director of this company. There were no amounts outstanding as at the period end.

21 Ultimate controlling party

The company's immediate parent company is Dominion Hospitality Midco Limited. The ultimate parent company is Dominion Hospitality Topco Limited, incorporated in England.

The company is controlled by Stellex Capital Management LP, which is the ultimate controlling party by virtue of it owning 100% of the share capital of the company.