

Dominion Hospitality Limited

Report and Financial Statements

Period ended

31 March 2019

Company Number 10342187



BDO

Dominion Hospitality Limited

Report and financial statements for the period ended 31 March 2019

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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 31 March 2019

Results

The consolidated income statement for the period ended 31 March 2019.

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.

Business review

The consolidated income statement for the period is set out on page 8. Revenues amounted to £11,678,000 (2018 - £12,765,000) and operating loss amounted to £1,682,000 loss (2018 - £426,000 profit). The directors consider these measures to be the key performance indicators of the Group. The group balance sheet at 31 March 2019 showed net liabilities of £5,823,000 (2018 - £2,294,000).

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 group balance sheet at 31 March 2019 shows debtors of £1,081,000 (2018 - £603,000) 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 31 March 2019 (*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



W Buchanan
Director

9/12/19

Dominion Hospitality Limited

Directors' report for the period ended 31 March 2019

Directors

The directors during the period were:

Karthik Achar
William Buchanan
Samuel Kennedy
Michael Livanos
Michael Stewart

Charitable donations

The group made no charitable donations during the period.

Creditor payment policy

The group's policy for the period to 31 March 2019, 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 31 March 2019 was 37 (2018 – 31) 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

Directors' report for the period ended 31 March 2019 (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 9/12/19

Dominion Hospitality Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF DOMINION HOSPITALITY LIMITED

Opinion

We have audited the financial statements of Dominion Hospitality Limited ("the Parent Company") and its subsidiaries ("the Group") for the period ended 31 March 2019 which comprise the Consolidated Income Statement, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Financial Position and the Company Statement of Changes in Equity, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice)

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2019 and of the Group's loss for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 Group and the Parent 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 Group or Parent 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 Report and Financial Statements, 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.

Dominion Hospitality Limited

Independent auditor's report (*continued*)

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and Directors' report for the financial period 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.

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 and Director's 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 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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 at 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 Parent 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 Parent 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 Parent

Dominion Hospitality Limited

Independent auditor's report (*continued*)

Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Geraint Jones (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

9 December 2019

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 31 March 2019

	Note	2019 £'000	2018 £'000
Turnover	4	11,678	12,765
Cost of sales		(9,254)	(10,288)
Gross profit		<u>2,424</u>	<u>2,477</u>
Administrative expenses		(4,106)	(2,051)
Operating profit	6	(1,682)	426
Interest payable and similar charges	7	(2,142)	(1,994)
Loss on ordinary activities before taxation		(3,824)	(1,568)
Taxation on loss on ordinary activities	8	295	(131)
Loss on ordinary activities after taxation		<u>(3,529)</u>	<u>(1,699)</u>

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 14 to 25 form part of these financial statements.

Dominion Hospitality Limited

Consolidated statement of financial position at 31 March 2019

<i>Company number 10342187</i>	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Goodwill	9		986		1,364
Tangible assets	10		25,493		30,914
			<u>26,479</u>		<u>32,278</u>
Current assets					
Stocks	13	183		205	
Debtors	14	1,081		603	
Cash at bank and in hand		1,477		663	
		<u>2,741</u>		<u>1,471</u>	
Creditors: amounts falling due within one year	15	<u>(34,037)</u>		<u>(21,626)</u>	
Net current liabilities			<u>(31,296)</u>		<u>(20,155)</u>
Total assets less current liabilities			<u>(4,817)</u>		<u>12,123</u>
Creditors: amounts falling due after more than one year	16		-		(13,141)
Provision for liabilities	18		<u>(1,006)</u>		<u>(1,276)</u>
Net liabilities			<u>(5,823)</u>		<u>(2,294)</u>
Capital and reserves					
Called up share capital	19		-		-
Profit and loss account			<u>(5,823)</u>		<u>(2,294)</u>
Shareholders' deficit			<u>(5,823)</u>		<u>(2,294)</u>

The financial statements were approved by the Board and authorised for issue on 9/12/19.



W Buchanan
Director

The notes on pages 14 to 25 form part of these financial statements.

Dominion Hospitality Limited

Consolidated statement of changes in equity for the period ended 31 March 2019

	Profit and loss account £'000	Total equity £'000
At 3 April 2018	(2,294)	(2,294)
Total comprehensive charge	(3,529)	(3,529)
	<hr/>	<hr/>
At 31 March 2019	(5,823)	(5,823)
	<hr/>	<hr/>
	Profit and loss account £'000	Total equity £'000
At 3 April 2017	(595)	(595)
Total comprehensive charge	(1,699)	(1,699)
	<hr/>	<hr/>
At 2 April 2018	(2,294)	(2,294)
	<hr/>	<hr/>

The notes on pages 14 to 25 form part of these financial statements.

Dominion Hospitality Limited

Consolidated statement of cash flows for the period ended 31 March 2019

	2019 £'000	2018 £'000
Cash flows from operating activities		
Loss for the financial period	(3,529)	(1,699)
Adjustments for:		
Amortisation of goodwill	378	378
Depreciation of tangible assets	654	624
Impairment of tangible fixed assets	1,501	-
Interest payable and similar charges	2,142	1,994
Taxation Charge	(355)	131
Decrease (Increase) in stock	22	3
(Increase) Decrease in debtors	(478)	169
(Decrease) Increase in creditors	784	292
	<hr/>	<hr/>
Cash from operations	1,119	1,892
Interest paid	(309)	(557)
Taxation paid	-	-
	<hr/>	<hr/>
Net cash generated from operating activities	810	1,335
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,083)	(1,053)
Purchase of intangible fixed assets	-	(102)
Disposal of tangible fixed assets	5,435	-
	<hr/>	<hr/>
Net cash used in investing activities	4,352	(1,155)
	<hr/>	<hr/>
Cash flows from financing activities		
Issue of ordinary shares	-	-
New loans	-	-
Repayment of Bank Loan	(4,348)	(1,067)
Repayment of loan on acquisition	-	-
	<hr/>	<hr/>
Net cash generated in financing activities	(4,348)	(1,067)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	814	(887)
Cash and cash equivalents at beginning of period	663	1,550
	<hr/>	<hr/>
Cash and cash equivalents at end of period	1,477	663
	<hr/>	<hr/>
Cash and cash equivalents compromise:		
Cash at bank and in hand	1,477	663
Bank Overdrafts	-	-
	<hr/>	<hr/>
	1,477	663
	<hr/>	<hr/>

Dominion Hospitality Limited

Company statement of financial position at 31 March 2019

<i>Company number 010342187</i>	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Investments	11		14,310		14,310
Tangible assets	10		33		41
			<u>14,343</u>		<u>14,351</u>
Current assets					
Debtors	14	10,366		14,188	
Cash at bank and in hand		818		198	
		<u>11,184</u>		<u>14,381</u>	
Creditors: amounts falling due within one year	15	<u>(32,504)</u>		<u>(19,510)</u>	
Net current liabilities			<u>(21,320)</u>		<u>(5,124)</u>
Total assets less current liabilities			<u>(6,977)</u>		<u>9,227</u>
Creditors: amounts falling due after more than one year	16		-		(13,141)
Provision for liabilities	18		-		-
Net liabilities			<u>(6,977)</u>		<u>(3,914)</u>
Capital and reserves					
Called up share capital	19		-		-
Profit and loss account			<u>(6,977)</u>		<u>(3,914)</u>
Shareholders' deficit			<u>(6,977)</u>		<u>(3,914)</u>

The loss after tax of the company for the period was £3,063,000 (2018 £2,605,000).

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

9/12/19



W Buchanan
Director

The notes on pages 14 to 25 form part of these financial statements.

Dominion Hospitality Limited

Company statement of changes in equity for the period ended 31 March 2019

	Profit and loss account £'000	Total equity £'000
At 3 April 2018	(3,914)	(3,914)
Total comprehensive charge	(3,063)	(3,063)
	<hr/>	<hr/>
At 31 March 2019	(6,977)	(6,977)
	<hr/>	<hr/>
	Profit and loss account £'000	Total equity £'000
At 3 April 2017	(1,309)	(1,309)
Total comprehensive charge	(2,605)	(2,605)
	<hr/>	<hr/>
At 2 April 2018	(3,914)	(3,914)
	<hr/>	<hr/>

The notes on pages 14 to 25 form part of these financial statements.

Dominion Hospitality Limited

Notes forming part of the financial statements for the period ended 31 March 2019

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 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 31 March 2019 (*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.

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 31 March 2019 (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 period 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 31 March 2019 (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	381	-	381
Cash and cash equivalents	1,477	-	1,477
	<u>1,858</u>	<u>-</u>	<u>1,858</u>
Financial liabilities:			
Creditors	(32,504)	-	(32,504)
Net	<u>(30,646)</u>	<u>-</u>	<u>(30,646)</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 31 March 2019 shows debtors of £1,081,000 (2018 - £603,000) 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 31 March 2019 *(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.

	2019 £'000	2018 £'000
Drink sales	5,999	6,632
Food sales	1,242	1,387
Machine income	155	162
Accommodation income	4,250	4,537
Miscellaneous income	32	47
	<u>11,678</u>	<u>12,765</u>

5 Employees and directors

	2019 £'000	2018 £'000
Staff costs consist of:		
Wages and salaries	1,878	1,885
Social security costs	120	103
	<u>1,998</u>	<u>1,988</u>

No director receives any emoluments from the Group.

Dominion Hospitality Limited

Notes forming part of the financial statements
for the period ended 31 March 2019 *(continued)*

The average number of employees during the period was:

	2019 Number	2018 Number
Pub operational staff	143	134
Management	4	3
	<u>147</u>	<u>137</u>
 6 Group operating profit		
	2019 £'000	2018 £'000
This has been arrived at after charging:		
Depreciation of fixed assets	654	624
Amortisation of goodwill	378	378
Auditors' remuneration - parent	40	49
Auditors' remuneration - subsidiaries	-	-
Impairment of fixed assets	1,501	-
	<u>2,573</u>	<u>1,051</u>
 7 Interest payable and similar charges		
	2019 £'000	2018 £'000
Bank loan interest	421	441
Finance charges	-	-
On group borrowings	1,721	1,553
	<u>2,142</u>	<u>1,994</u>
 8 Taxation on loss from ordinary activities		
	2019 £'000	2018 £'000
Analysis of tax charge in period:		
Current tax:		
UK corporation tax on loss for the period	(10)	131
Deferred tax	(285)	-
	<u>(295)</u>	<u>131</u>
Taxation on loss on ordinary activities	<u>295</u>	<u>131</u>

Dominion Hospitality Limited

Notes forming part of the financial statements for the period ended 31 March 2019 *(continued)*

The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2019 £'000	2018 £'000
Loss on ordinary activities before tax	(3,824)	(1,568)
Loss on ordinary activities multiplied by standard rate of UK corporation tax of 19% (2018 - 19%)	(726)	(298)
Effects of:		
Items not allowable for tax purposes	1,007	502
Other adjustments	(221)	(205)
Adjustments in respect of previous periods	(70)	131
Movement in deferred tax	(285)	
Current tax charge for period	(295)	131

9 Goodwill	£'000
<i>Cost</i>	
At 2 April 2018	1,891
Additions	-
At 31 March 2019	1,891
<i>Amortisation</i>	
At 2 April 2018	527
Charge for period	378
At 31 March 2019	905
Net book value	
At 31 March 2019	986
At 2 April 2018	1,364

Dominion Hospitality Limited

Notes forming part of the financial statements
for the period ended 31 March 2019 (continued)

10 Tangible fixed assets

Group	Freehold properties £	Fixtures and fittings £	Plant and equipment £	Computer equipment £	Motor vehicles £	Total £
<i>Cost</i>						
At 3 April 2018	29,837	1,503	237	234	19	31,830
Additions	261	737	31	54	-	1,083
Disposals	(4,135)	(318)	(54)	(35)	-	(4,542)
Impairment	(1,501)	-	-	-	-	(1,501)
At 31 March 2019	24,462	1,922	214	253	19	26,870
<i>Depreciation</i>						
At 3 April 2018	422	422	19	45	8	916
Charge for the period	216	343	22	71	2	654
On disposals	(75)	(95)	(11)	(12)	-	(193)
At 31 March 2019	563	670	30	104	10	1,377
<i>Carrying amount</i>						
At 31 March 2019	23,899	1,252	184	149	9	25,493
At 2 April 2018	29,415	1,081	218	189	11	30,914

Dominion Hospitality Limited

Notes forming part of the financial statements
for the period ended 31 March 2019 *(continued)*

10 Tangible fixed assets (Continued)

Company	Computer equipment £	Total £
<i>Cost</i>		
At 2 April 2018	49	49
Additions – other	-	-
	<hr/>	<hr/>
At 31 March 2019	49	49
	<hr/>	<hr/>
<i>Depreciation</i>		
At 2 April 2018	8	8
Charge for the period	8	8
	<hr/>	<hr/>
At 31 March 2019	16	16
	<hr/>	<hr/>
<i>Carrying amount</i>		
At 31 March 2019	33	33
	<hr/>	<hr/>
At 2 April 2018	41	41
	<hr/>	<hr/>

11 Fixed asset investments

	Subsidiary undertakings £
<i>Cost</i>	
At 2 April 2018	14,310
Additions	-
	<hr/>
As at 31 March 2019	14,310
	<hr/>

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.

Dominion Hospitality Limited

Notes forming part of the financial statements
for the period ended 31 March 2019 (continued)

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.

In 2019 additions of £NIL (2018: £103,000) related to net asset adjustments on acquisition.

13 Stock

	Group 2019 £'000	Group 2018 £'000
Goods held for resale	183	205

14 Debtors

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Trade debtors	1	3	1	1
Other debtors	380	21	35	39
Prepayments and accrued income	630	579	3	8
Corporation Tax	70	-	-	-
Amounts due from group undertakings	-	-	10,327	14,140
	<u>1,081</u>	<u>603</u>	<u>10,366</u>	<u>14,188</u>

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

15 Creditors: amounts falling due within one year

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Trade creditors	936	1,007	207	92
Other creditors	243	225	-	-
Accruals and deferred income	4,547	587	4,188	191
Corporation Tax	-	327	-	-
Other tax and social security	495	253	8	-
Amount due to group undertaking	17,968	17,887	17,968	17,887
Bank loans	10,133	1,340	10,133	1,340
	<u>34,322</u>	<u>21,626</u>	<u>32,504</u>	<u>19,510</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 31 March 2019 (*continued*)

16 Creditors: amounts falling due after more than one year

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Bank loan	-	13,141	-	13,141

During the year, the group breached a covenant under the HSBC loan facility; since the year end, the group has refinanced its facility with HSBC.

17 Loan maturity

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Repayable as follows:				
Within one year	10,133	1,340	10,133	1,067
After one year and within five years	-	13,141	-	13,141
	<u>10,133</u>	<u>14,481</u>	<u>10,133</u>	<u>14,481</u>

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 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Deferred tax liability Recognised on freehold properties	<u>1,006</u>	<u>1,276</u>	<u>-</u>	<u>-</u>

19 Share capital

	2019 £	2018 £
<i>Authorised</i> Equity interests	<u>1</u>	<u>1</u>
<i>Issued, called up and fully paid</i> Equity interests Ordinary shares of £1 each	<u>1</u>	<u>1</u>

Dominion Hospitality Limited

**Notes forming part of the financial statements
for the period ended 31 March 2019 (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 £229,121 (2018 - £200,000) 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 £71,852 (2018 - £79,952) 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.