

Dominion Hospitality Limited

Report and Financial Statements

Year ended

28 March 2021

Company Number 10342187

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Dominion Hospitality Limited

Report and financial statements for the year ended 28 March 2021

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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 year ended 28 March 2021

Results

The consolidated income statement for the year ended 28 March 2021.

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 £1,934,000 (2020 - £9,988,000) and operating loss amounted to £4,054,000 loss (2020 - £5,390,000 loss). The directors consider these measures to be the key performance indicators of the Group. The group balance sheet at 28 March 2021 showed net liabilities of £19,862,000 (2020 - £13,396,000).

Post balance sheet events

Subsequent to the year end the group has disposed of 14 of its 18 sites realising proceeds of £15.7m and repaying its bank borrowings in full. The amount realised was in excess of the carrying value of the assets disposed.

Going concern

The proceeds from the post year end sale of the group's sites is sufficient to ensure that the group's third party creditors are repaid in full but will not be sufficient to enable the loan from the parent undertaking to be repaid in full. The Directors expect the parent undertaking to release the company from the obligation to repay the parent undertaking, either through forgiveness of the loan or another method. Based on this expectation the directors consider that the group and company remains a going concern and so have prepared the financial statements on that basis.

Whilst the Directors expect the obligation to repay the loan from the parent company in full to be released, this cannot be guaranteed. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern and therefore its ability to realise assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

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.

Dominion Hospitality Limited

Strategic report for the year ended 28 March 2021 (*continued*)

Principal risks and uncertainties (*continued*)

Credit risk

The group balance sheet at 28 March 2021 shows debtors of £603,000 (2020 - £923,000) 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 (noting the loan was repaid in full on 4 November 2021) 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 as it is recognised that the Company is unable to meet that repayment.

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

Dominion Hospitality Limited

Directors' report for the year ended 28 March 2021

Directors

The directors during the year were:

Karthik Achar
William Buchanan
Samuel Kennedy
Michael Livanos
Michael Stewart

Charitable donations

The group made no charitable donations during the year.

Creditor payment policy

The group's policy for the year to 28 March 2021, for all suppliers, is to abide by the agreed terms of payment. The number of day's purchases represented by year-end trade creditors at 28 March 2021 was 71 (2020 – 37) 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 year ended 28 March 2021 (*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 3 October 2022

Dominion Hospitality Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF DOMINION HOSPITALITY LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Parent Company's affairs as at 28 March 2021 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.

We have audited the financial statements of Dominion Hospitality Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 28 March 2021 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, the company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements which explains that the company does not expect to be able to repay the loan from its parent undertaking in full. The directors expect the parent undertaking to release the company from the obligation to repay the parent undertaking but this cannot be guaranteed.

As explained in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

Dominion Hospitality Limited

Independent auditor's report (*continued*)

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.

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.

Other Companies Act 2006 reporting

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report has been prepared in accordance with applicable legal requirements.

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 Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Dominion Hospitality Limited

Independent auditor's report (*continued*)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates and considered the risk of acts by the Company that were contrary to applicable laws and regulations, including fraud.
- We considered the Company's compliance with laws and regulations that have a direct impact on the financial statements including, but not limited to, UK company law and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the company financial statements.
- We designed audit procedures to identify instances of non-compliance with such laws and regulations. Our procedures included reviewing the financial statement disclosures and agreeing to underlying supporting documentation where necessary. We reviewed minutes of all Board meetings held during and subsequent to the year-end for any indicators of non-compliance and made enquiries of management as to the risks of non-compliance and any instances thereof.
- We addressed the risk of management override of internal controls, including testing journal entries processed in the year end and evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.
- We designed audit procedures that specifically address the fraud risk due to improper revenue recognition. Through our tailored procedures, we were able to mitigate the fraud risk by focusing on where management may feel pressure to achieve expected results to meet bank covenants.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

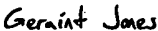
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Dominion Hospitality Limited

Independent auditor's report (*continued*)

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

DocuSigned by:

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

03 October 2022

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

Dominion Hospitality Limited

Consolidated income statement for the year ended 28 March 2021

	Note	2021 £'000	2020 £'000
Turnover	4	1,934	9,988
Cost of sales		(2,757)	(8,210)
		<hr/>	<hr/>
Gross (loss) / profit		(823)	1,778
Administrative expenses		(2,221)	(7,168)
Other Operating Income	7	586	
		<hr/>	<hr/>
Operating loss	6	(2,458)	(5,390)
Interest payable and similar charges	8	(2,179)	(2,435)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(4,637)	(7,825)
Taxation on loss on ordinary activities	9	(233)	253
		<hr/>	<hr/>
Loss on ordinary activities after taxation		(4,870)	(7,572)
		<hr/>	<hr/>

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 year.

The notes on pages 15 to 26 form part of these financial statements.

Dominion Hospitality Limited

Consolidated statement of financial position at 28 March 2021

Company number 10342187	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Goodwill	10		-		-
Tangible assets	11		18,360		19,410
Intangible assets	12				
			18,360		19,410
Current assets					
Stocks	14	103		90	
Debtors	15	603		923	
Cash at bank and in hand		447		965	
		1,153		1,978	
Creditors: amounts falling due within one year	16	(36,793)		(25,795)	
Net current liabilities			(35,640)		(23,817)
Total assets less current liabilities			(17,280)		(4,407)
Creditors: amounts falling due after more than one year	17		-		(8,236)
Provision for liabilities	19		(986)		(753)
Net liabilities			(18,266)		(13,396)
Capital and reserves					
Called up share capital	20		-		-
Profit and loss account			(18,266)		(13,396)
Shareholders' deficit			(18,266)		(13,396)

The financial statements were approved by the Board and authorised for issue on 3 October 2022



W Buchanan
Director

The notes on pages 15 to 26 form part of these financial statements.

Dominion Hospitality Limited

Consolidated statement of changes in equity for the year ended 28 March 2021

	Profit and loss account £'000	Total equity £'000
At 1 April 2020	(13,396)	(13,396)
Total comprehensive charge	(4,870)	(4,870)
	<hr/>	<hr/>
At 28 March 2021	(18,266)	(18,266)
	<hr/>	<hr/>
	Profit and loss account £'000	Total equity £'000
At 3 April 2019	(5,823)	(5,823)
Total comprehensive charge	(7,572)	(7,572)
	<hr/>	<hr/>
At 31 March 2020	(13,395)	(13,395)
	<hr/>	<hr/>

The notes on pages 15 to 26 form part of these financial statements.

Dominion Hospitality Limited

Consolidated statement of cash flows for the year ended 28 March 2021

	2021 £'000	2020 £'000
Cash flows from operating activities		
Loss for the financial year	(4,870)	(7,572)
Adjustments for:		
Amortisation of goodwill	-	378
Impairment of Goodwill	-	608
Depreciation of tangible assets	587	678
Impairment of tangible fixed assets	825	4,336
Interest payable and similar charges	2,179	2,435
Taxation Charge	(233)	(253)
Decrease (Increase) in stock	(13)	93
(Increase) Decrease in debtors	320	189
(Decrease) Increase in creditors	278	(531)
Cash from operations	(927)	361
Interest paid	(409)	(349)
Taxation paid		70
Net cash generated from operating activities	(1,336)	82
Cash flows from investing activities		
Purchase of tangible fixed assets	(370)	(411)
Purchase of intangible fixed assets	-	-
Disposal of tangible fixed assets	-	1,615
Net cash used in investing activities	(370)	1,204
Cash flows from financing activities		
Issue of ordinary shares	-	-
New loans	1,400	-
Repayment of Bank Loan	(212)	(1,798)
Repayment of loan on acquisition	-	-
Net cash generated in financing activities	1,188	(1,798)
Net (decrease) / increase in cash and cash equivalents	(518)	(512)
Cash and cash equivalents at beginning of year	965	1,477
Cash and cash equivalents at end of year	447	965
Cash and cash equivalents comprise:		
Cash at bank and in hand	447	965
Bank Overdrafts	-	-
	447	965

Dominion Hospitality Limited

Company statement of financial position at 28 March 2021

Company number 010342187	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Investments	12		7,014		8,610
Tangible assets	11		4		23
			7,018		8,633
Current assets					
Debtors	15	8,170		7,995	
Cash at bank and in hand		125		88	
		8,295		8,083	
Creditors: amounts falling due within one year	16	(35,962)		(24,535)	
Net current liabilities			(27,667)		(16,452)
Total assets less current liabilities			(20,649)		(7,819)
Creditors: amounts falling due after more than one year	17		-		(8,236)
Provision for liabilities	19		-		-
Net liabilities			(20,649)		(16,055)
Capital and reserves					
Called up share capital	20		-		-
Profit and loss account			(20,649)		(16,055)
Shareholders' deficit			(20,649)		(16,055)

The loss after tax of the company for the year was £4,594,000 (2020 £9,078,000).

The financial statements were approved by the Board and authorised for issue on 3 October 2022



W Buchanan
Director

The notes on pages 15 to 26 form part of these financial statements.

Dominion Hospitality Limited

Company statement of changes in equity for the year ended 28 March 2021

	Profit and loss account £'000	Total equity £'000
At 1 April 2020	(16,055)	(16,055)
Total comprehensive charge	(4,594)	(4,594)
	<hr/>	<hr/>
At 28 March 2021	(20,649)	(20,649)
	<hr/>	<hr/>
	Profit and loss account £'000	Total equity £'000
At 1 April 2019	(6,977)	(6,977)
Total comprehensive charge	(9,078)	(9,078)
	<hr/>	<hr/>
At 28 March 2020	(16,055)	(16,055)
	<hr/>	<hr/>

The notes on pages 15 to 26 form part of these financial statements.

Dominion Hospitality Limited

Notes forming part of the financial statements for the year ended 28 March 2021

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 year 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

Subsequent to the year end the group has sold several of its sites and repaid its bank debt in full. The proceeds from the sale of the group's sites is sufficient to ensure that the group's third party creditors are repaid in full but will not be sufficient to enable the loan from the parent undertaking to be repaid in full. The Directors expect the parent undertaking to release the company from the obligation to repay the parent undertaking, either through forgiveness of the loan or another method. Based on this expectation the directors consider that the group and company remains as going concern and so have prepared the financial statements on that basis.

Whilst the Directors expect the obligation to repay the loan from the parent company in full to be released, this cannot be guaranteed. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern and therefore its ability to realise assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

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.

Dominion Hospitality Limited

Notes forming part of the financial statements for the year ended 28 March 2021 (*continued*)

1 Accounting policies (*continued*)

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.

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 year ended 28 March 2021 (*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.

Other operating income

The Coronavirus Job Retention Grant ("Furlough Scheme") is accounted under the accruals model as permitted by FRS 102. Income received under the furlough scheme is recognised as other operating income in the same period as the related expenditure.

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 year 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 year ended 28 March 2021 *(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	95	-	95
Cash and cash equivalents	125	-	125
	<hr/>	<hr/>	<hr/>
	220	-	220
	<hr/>	<hr/>	<hr/>
Financial liabilities:			
Creditors	(36,793)	-	(36,793)
	<hr/>	<hr/>	<hr/>
Net	(36,573)	-	(36,573)
	<hr/>	<hr/>	<hr/>

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 28 March 2021 shows debtors of £603,000 (2020 - £923,000) 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 year ended 29 March 2020 (*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.

	2021 £'000	2020 £'000
Drink sales	1,005	5,077
Food sales	249	1,079
Machine income	21	125
Accommodation income	657	3,696
Miscellaneous income	2	12
	<hr/> 1,934 <hr/>	<hr/> 9,988 <hr/>

5 Employees and directors

	2021 £'000	2020 £'000
Staff costs consist of:		
Wages and salaries	549	1,755
Social security costs	35	103
	<hr/> 584 <hr/>	<hr/> 1,858 <hr/>

No director receives any emoluments from the Group.

Dominion Hospitality Limited

**Notes forming part of the financial statements
for the year ended 28 March 2021 (continued)**

The average number of employees during the period was:

	2021 Number	2020 Number
Pub operational staff	91	144
Management	2	3
	<u>93</u>	<u>147</u>
 6 Group operating profit		
	2021 £'000	2020 £'000
This has been arrived at after charging/(crediting):		
Depreciation of fixed assets	587	678
Amortisation of goodwill	-	378
Auditors' remuneration – parent	45	42
Auditors' remuneration – subsidiaries	-	-
Impairment of fixed assets	825	4,336
Impairment of Goodwill	-	608
	<u> </u>	<u> </u>
 7 Other operating Income		
	2021 £'000	2020 £'000
Income from government COVID Job retention Scheme	586	-
	<u>586</u>	<u>-</u>
	<u> </u>	<u> </u>
 8 Interest payable and similar charges		
	2021 £'000	2020 £'000
Bank loan interest	361	322
Amortisation of loan arrangement fees	-	101
On group borrowings	1,818	2,012
	<u>2,179</u>	<u>2,435</u>
	<u> </u>	<u> </u>

Dominion Hospitality Limited

Notes forming part of the financial statements
for the year ended 28 March 2021 (*continued*)

9 Taxation on loss from ordinary activities

	2021 £'000	2020 £'000
Analysis of tax charge in year:		
Current tax:		
UK corporation tax on loss for the year	-	-
Deferred tax	233	253
	<hr/>	<hr/>
Taxation on loss on ordinary activities	233	253
	<hr/>	<hr/>

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

	2021 £'000	2020 £'000
Loss on ordinary activities before tax	(4,637)	(7,825)
	<hr/>	<hr/>
Loss on ordinary activities multiplied by standard rate of UK corporation tax of 19% (2020 - 19%)	(770)	(1,487)
Effects of:		
Items not allowable for tax purposes	-	2,049
Other adjustments	-	(56)
Adjustments in respect of previous years		
Movement in deferred tax	(233)	(253)
	<hr/>	<hr/>
Current tax charge for year	(233)	(253)
	<hr/>	<hr/>

10 Goodwill

	£'000
Cost	
At 1 April 2020	1,891
Additions	-
	<hr/>
At 28 March 2021	1,891
	<hr/>
Amortisation	
At 1 April 2020	1,891
Charge for year	-
	<hr/>
At 28 March 2021	1,891
	<hr/>
Net book value	
At 28 March 2021	-
	<hr/>
At 31 March 2020	-
	<hr/>

Dominion Hospitality Limited

Notes forming part of the financial statements
for the year ended 28 March 2021 *(continued)*

11 Tangible fixed assets

Group	Freehold properties £	Fixtures and fittings £	Plant and equipment £	Computer equipment £	Motor vehicles £	Total £
<i>Cost</i>						
At 1 April 2020	18,753	1,607	214	267	19	20,860
Additions	-	353	-	17	-	370
Disposals	-	-	-	-	(17)	(17)
Impairment	(825)	-	-	-	-	(825)
	<u>17,928</u>	<u>1,960</u>	<u>214</u>	<u>284</u>	<u>2</u>	<u>20,387</u>
At 28 March 2021						
<i>Depreciation</i>						
At 1 April 2020	718	486	78	156	12	1,450
Charge for the year	185	306	28	71	1	590
On disposals	-	-	-	-	(13)	(13)
	<u>903</u>	<u>792</u>	<u>106</u>	<u>227</u>	<u>-</u>	<u>2,027</u>
At 29 March 2020						
<i>Carrying amount</i>						
At 28 March 2021	<u>17,025</u>	<u>1,168</u>	<u>108</u>	<u>57</u>	<u>2</u>	<u>18,360</u>
At 31 March 2020	<u>18,035</u>	<u>1,121</u>	<u>136</u>	<u>111</u>	<u>7</u>	<u>19,410</u>

Dominion Hospitality Limited

Notes forming part of the financial statements
for the year ended 28 March 2021 (*continued*)

12 Tangible fixed assets (Continued)

Company	Computer equipment £	Total £
<i>Cost</i>		
At 1 April 2020	60	60
Additions – other	16	16
	<hr/>	<hr/>
At 28 March 2021	76	76
	<hr/>	<hr/>
<i>Depreciation</i>		
At 1 April 2020	37	37
Charge for the year	35	35
	<hr/>	<hr/>
At 28 March 2021	72	72
	<hr/>	<hr/>
<i>Carrying amount</i>		
At 28 March 2021	4	4
	<hr/>	<hr/>
At 1 April 2020	33	33
	<hr/>	<hr/>

12 Fixed asset investments

	Subsidiary undertakings £
<i>Cost</i>	
At 1 April 2020	8,610
Impairment - 2021	(1,596)
	<hr/>
As at 28 March 2021	7,014
	<hr/>

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

Company	Country of registration	Nature of business	Shares held Class	%
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 year ended 28 March 2021 (continued)

13 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. This was fully impaired in an earlier year.

In 2021 additions of £0 (2020: £0) related to net asset adjustments on acquisition.

14 Stock

	Group 2021 £'000	Group 2020 £'000
Goods held for resale	103	90

15 Debtors

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Trade debtors	-	1	-	1
Other debtors	406	386	92	60
Prepayments and accrued income	197	536	3	4
Corporation Tax	-	-	-	-
Amounts due from group undertakings	-	-	8,075	7,930
	<u>603</u>	<u>923</u>	<u>8,170</u>	<u>7,995</u>

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

16 Creditors: amounts falling due within one year

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Trade creditors	536	700	324	231
Other creditors	175	138	-	-
Accruals and deferred income	8,330	6,534	8,046	6,124
Corporation Tax	-	-	-	-
Other tax and social security	160	255	-	12
Amount due to group undertaking	17,968	17,968	17,968	17,968
Bank loans	9,624	200	9,624	200
	<u>36,793</u>	<u>25,795</u>	<u>35,962</u>	<u>24,535</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 year ended 28 March 2021 (*continued*)

17 Creditors: amounts falling due after more than one year

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Bank loan	-	8,236	-	8,236
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

18 Loan maturity

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Repayable as follows:				
Within one year	9,624	200	9,624	200
After one year and within five years	-	8,236	-	8,236
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	9,624	8,436	9,624	8,436
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The bank loan includes accrued interest at 3.5% per annum plus three month LIBOR. The bank loan is secured on the group's assets and was repaid in full after the year end.

19 Provisions

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

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Deferred tax liability Recognised on freehold properties	986	753	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

20 Share capital

	2021	2020
	£	£
<i>Authorised</i>		
Equity interests	1	1
	<u> </u>	<u> </u>
<i>Issued, called up and fully paid</i>		
Equity interests		
Ordinary shares of £1 each	1	1
	<u> </u>	<u> </u>

Dominion Hospitality Limited

Notes forming part of the financial statements for the year ended 28 March 2021 (*continued*)

21 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 £291,181 (2020 - £303,336) for the year, to LT Management Services Limited and W Buchanan is a common director of this company. There were no amounts outstanding as at the year end.

The Group paid management fees of £92,172 (2020 - £77,303) for the year, to Pebble Solutions Limited and S Kennedy is a common director of this company. There were no amounts outstanding as at the year end.

22 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.

23 Post balance sheet events

Subsequent to the year end the group has disposed of 14 of its 18 sites realising proceeds of £15.7m and repaying its bank borrowings in full. The amount realised was in excess of the carrying value of the assets disposed.

24 Net Debt Reconciliation

	31 March 2021 £'000	Cash Flow £'000	28 March 2021 £'000
Cash	965	(518)	447
Bank Loan	(8,436)	(1,188)	(9,624)
	<u>(7,471)</u>	<u>(1,706)</u>	<u>(9,177)</u>