

Dominion Hospitality Limited

Report and Financial Statements

Year ended

1 April 2022

Company Number 10342187

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Dominion Hospitality Limited

Report and financial statements for the year ended 1 April 2022

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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

Dominion Hospitality Limited

Directors' report for the year ended 1 April 2022

Directors

The directors during the year were:

Karthik Achar
William Buchanan
Samuel Kennedy
Michael Livanos
Michael Stewart

Charitable donations

The company made no charitable donations during the year.

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.

In preparing this directors' report advantage has been taken of the small companies' exemption and from the exemption from preparing a Strategic Report.

By order of the Board



W Buchanan
Director
Date 28.03.2023

Dominion Hospitality Limited

Company income statement for the year ended 1 April 2022

	Note	2022 £'000	2021 £'000
Turnover		-	-
Cost of sales		(5)	(1)
Gross (loss) / profit		(5)	(1)
Administrative expenses		(637)	(2,408)
Other Operating Income	7	3,158	-
Operating Profit	6	2,516	(2,409)
Interest payable and similar charges	8	(2,216)	(2,179)
Profit on ordinary activities before taxation		301	(4,588)
Taxation on loss on ordinary activities	9	(57)	(6)
Profit on ordinary activities after taxation		244	(4,594)

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 5 to 15 form part of these financial statements.

Dominion Hospitality Limited

Company statement of financial position at 1 April 2022

<i>Company number 010342187</i>	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Investments	12		7,014		7,014
Tangible assets	11		2		4
			7,016		7,018
Current assets					
Debtors	15	2,116		8,170	
Cash at bank and in hand		313		125	
		2,428		8,295	
Creditors: amounts falling due within one year	16	(28,950)		(35,962)	
Net current liabilities			(27,421)		(27,667)
Total assets less current liabilities			(20,406)		(20,649)
Creditors: amounts falling due after more than one year	17		-		-
Provision for liabilities	19		-		-
Net liabilities			(20,406)		(20,649)
Capital and reserves					
Called up share capital	20		-		-
Profit and loss account			(20,406)		(20,649)
Shareholders' deficit			(20,406)		(20,649)

The profit after tax of the company for the year was £244,000 (2021 £4,594,000 loss).

Dominion Hospitality Limited

Company statement of changes in equity for the year ended 1 April 2022

For the year ending (01/04/2022) the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 28.03.2023



W Buchanan
Director

The notes on pages 5 to 15 form part of these financial statements.

Dominion Hospitality Limited

Company statement of changes in equity for the year ended 1 April 2022

	Profit and loss account £'000	Total Equity £'000
At 28 March 2021	(20,649)	(20,649)
Total comprehensive charge	244	244
At 1 April 2022	(20,406)	(20,406)
	Profit and loss account £'000	Total Equity £'000
At 28 March 2020	(16,055)	(16,055)
Total comprehensive charge	(4,594)	(4,594)
At 28 March 2021	(20,649)	(20,649)

The notes on pages 5 to 15 form part of these financial statements.

Dominion Hospitality Limited

Notes forming part of the financial statements for the year ended 1 April 2022

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 consolidate 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 1 April 2022 (*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 1 April 2022 (*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 1 April 2022 (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	2,116	-	2,116
Cash and cash equivalents	313	-	313
	2,429	-	2,429
Financial liabilities:			
Creditors	(29,850)	-	(29,850)
Net	(27,421)	-	(27,421)

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 1 April 2022 shows debtors of £2116,000 (2021 - £8170,000) 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 1 April 2022 (*continued*)

6 Operating profit

	2022 £'000	2021 £'000
This has been arrived at after charging/(crediting):		
Depreciation of fixed assets	9	35
Amortisation of goodwill	-	-
Auditors' remuneration – parent	-	45
Auditors' remuneration – subsidiaries	-	-
Impairment of fixed assets	-	-
Impairment of Goodwill	-	-
	<u> </u>	<u> </u>

7 Other operating Income

	2022 £'000	2021 £'000
Income from government COVID Job retention Scheme	-	-
Income from Government Grants	-	-
Income from Sale of Assets	13,762	
	<u> </u>	<u> </u>
	13,979	586
	<u> </u>	<u> </u>

8 Interest payable and similar charges

	2022 £'000	2021 £'000
Bank loan interest	-	361
Amortisation of loan arrangement fees	-	-
On group borrowings	2,216	1,818
	<u> </u>	<u> </u>
	2,216	2,179
	<u> </u>	<u> </u>

Dominion Hospitality Limited

Notes forming part of the financial statements for the year ended 1 April 2022 (*continued*)

9 Taxation on loss from ordinary activities

	2022 £'000	2021 £'000
Analysis of tax charge in year:		
<i>Current tax:</i>		
UK corporation tax on loss for the year	-	-
Deferred tax	57	6
Taxation on loss on ordinary activities	57	6

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

	2022 £'000	2021 £'000
Profit (Loss) on ordinary activities before tax	301	(4,588)
Profit (Loss) on ordinary activities multiplied by standard rate of UK corporation tax of 19% (2020 - 19%)	(57)	(6)
Effects of:		
Items not allowable for tax purposes	-	-
Other adjustments	-	-
Adjustments in respect of previous years		
Movement in deferred tax	(57)	(6)
Current tax charge for year	(57)	(6)

10 Goodwill

	£'000
<i>Cost</i>	
At 28 March 2021	1,891
Additions	-
At 1 April 2022	1,891
<i>Amortisation</i>	
At 28 March 2021	1,891
Charge for year	-
At 1 April 2022	1,891
Net book value	
At 1 April 2022	-
At 28 March 2021	-

Dominion Hospitality Limited

Notes forming part of the financial statements
for the year ended 1 April 2022 (*continued*)

12 Tangible fixed assets (Continued)

Company	Computer equipment £	Total £
<i>Cost</i>		
At 28 March 2021	76	76
Additions – other	7	7
At 1 April 2022	83	83
<i>Depreciation</i>		
At 28 March 2021	72	72
Charge for the year	9	9
At 1 April 2022	81	81
<i>Carrying amount</i>		
At 1 April 2022	2	2
At 28 March 2021	4	4

12 Fixed asset investments

	Subsidiary undertakings £
<i>Cost</i>	
At 28 March 2021	7,014
Impairment	-
As at 1 April 2022	7,014

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 year ended 1 April 2022 *(continued)*

13 Goodwill

14 Stock

	Company 2022 £'000	Company 2021 £'000
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Goods held for resale	-	-
	-	-

15 Debtors

	Company 2022 £'000	Company 2021 £'000
--	--------------------------	--------------------------

Trade debtors	-	-
Other debtors	198	6092
Prepayments and accrued income	185	43
Corporation Tax	-	-
Amounts due from group undertakings	1,733	8,075
	2,116	8,170
	2,116	8,170

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

16 Creditors: amounts falling due within one year

	Company 2022 £'000	Company 2021 £'000
--	--------------------------	--------------------------

Trade creditors	29	324
Other creditors	115	-
Accruals and deferred income	9,674	8,046
Corporation Tax	-	-
Other tax and social security	-	-
Amount due to group undertaking	20,031	17,968
Bank loans	-	9,624
	29,850	35,962
	29,850	35,962

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 1 April 2022 (*continued*)

17 Creditors: amounts falling due after more than one year

	Company 2022 £'000	Company 2021 £'000
Bank loan	-	-
	<u> </u>	<u> </u>

18 Loan maturity

	Company 2022 £'000	Company 2021 £'000
Repayable as follows:		
Within one year	-	9,624
After one year and within five years	-	-
	<u> </u>	<u> </u>
	-	9,624
	<u> </u>	<u> </u>

The bank loan was secured on the group's assets and was repaid in full during the period.

19 Provisions

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

	Company 2022 £'000	Company 2021 £'000
Deferred tax liability Recognised on freehold properties	-	-
	<u> </u>	<u> </u>

20 Share capital

	2022	2021
	£	£
<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 1 April 2022 (*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 £303,801 (2021 - £291,181) 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 £93,073 (2021 - £92,172) 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.