

Clyde Leisure Limited
Unaudited Financial Statements
31 March 2019



Clyde Leisure Limited

Financial Statements

Year ended 31 March 2019

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Clyde Leisure Limited

Chartered Accountants Report to the Director on the Preparation of the Unaudited Statutory Financial Statements of Clyde Leisure Limited

Year ended 31 March 2019

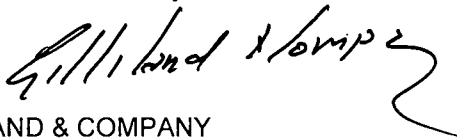
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Clyde Leisure Limited for the year ended 31 March 2019, which comprise the statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of ICAS, we are subject to its ethical and other professional requirements which are detailed at www.icas.com/accountspreparationguidance.

This report is made solely to the director of Clyde Leisure Limited in accordance with the terms of our engagement letter dated 2 November 2015. Our work has been undertaken solely to prepare for your approval the financial statements of Clyde Leisure Limited and state those matters that we have agreed to state to you in this report in accordance with the requirements of ICAS as detailed at www.icas.com/accountspreparationguidance. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Clyde Leisure Limited and its director for our work or for this report.

It is your duty to ensure that Clyde Leisure Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Clyde Leisure Limited. You consider that Clyde Leisure Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Clyde Leisure Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements:



GILLILAND & COMPANY
Chartered Accountants

216 West George Street
Glasgow
G2 2PQ

10 December 2019

Clyde Leisure Limited
Statement of Financial Position
31 March 2019

| | Note | 2019 £ | 2018 £ |
|---|------|------------------|------------------|
| Fixed assets | | | |
| Intangible assets | 5 | 51,033 | 2,800 |
| Tangible assets | 6 | 163,182 | 877,907 |
| | | <u>214,215</u> | <u>880,707</u> |
| Current assets | | | |
| Stocks | | 3,150 | 3,450 |
| Debtors | 7 | 1,045,791 | 1,847,723 |
| Cash at bank and in hand | | 40,293 | 259,018 |
| | | <u>1,089,234</u> | <u>2,110,191</u> |
| Creditors: amounts falling due within one year | 8 | <u>200,479</u> | <u>185,491</u> |
| Net current assets | | <u>888,755</u> | <u>1,924,700</u> |
| Total assets less current liabilities | | <u>1,102,970</u> | <u>2,805,407</u> |
| Provisions | | | |
| Taxation including deferred tax | | 16,523 | — |
| Net assets | | <u>1,086,447</u> | <u>2,805,407</u> |

The statement of financial position
continues on the following page.
The notes on pages 4 to 8 form part of these financial statements.

Clyde Leisure Limited

Statement of Financial Position *(continued)*

31 March 2019

| | Note | 2019 £ | 2018 £ |
|-----------------------------|------|-------------------------|-------------------------|
| Capital and reserves | | | |
| Called up share capital | | 100 | 100 |
| Non distributable reserve | | — | 285,329 |
| Profit and loss account | | <u>1,086,347</u> | <u>2,519,978</u> |
| Shareholders funds | | <u>1,086,447</u> | <u>2,805,407</u> |

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

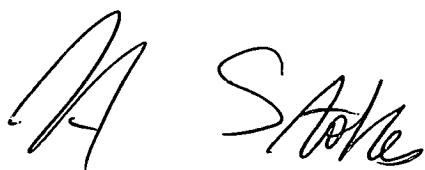
Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The director acknowledges her responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 10 December 2019, and are signed on behalf of the board by:

Mrs H Stokes
Director

Company registration number: SC164205



Clyde Leisure Limited
Notes to the Financial Statements
Year ended 31 March 2019

1. General information

The company is a private company limited by shares, registered in United Kingdom. The address of the registered office is 216 West George Street, Glasgow, G2 6PQ.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Principal accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - Evenly over expected useful life of 15 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Clyde Leisure Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Principal accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | |
|---------------------|------------------------|
| Gaming Machines | - 25% reducing balance |
| Fixtures & Fittings | - 25% reducing balance |
| Motor Vehicles | - 25% reducing balance |
| Computer Equipment | - 20% reducing balance |

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Clyde Leisure Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Principal accounting policies *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 21 (2018: 20).

5. Intangible assets

| | Goodwill £ |
|--|-----------------------------|
| Cost | |
| At 1 April 2018 | 14,000 |
| Additions | — |
| Acquisitions through business combinations | 50,000 |
| At 31 March 2019 | <u>64,000</u> |
| Amortisation | |
| At 1 April 2018 | 11,200 |
| Charge for the year | 1,767 |
| At 31 March 2019 | <u>12,967</u> |
| Carrying amount | |
| At 31 March 2019 | <u>51,033</u> |
| At 31 March 2018 | <u>2,800</u> |

Clyde Leisure Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2019

6. Tangible assets

| | Land and buildings £ | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Equipment £ | Total £ |
|------------------------|----------------------------|-----------------------------|-------------------------------|------------------------|----------------|------------------|
| Cost | | | | | | |
| At 1 Apr 2018 | 740,000 | 951,864 | 30,082 | 14,138 | 79,563 | 1,815,647 |
| Additions | – | 100,786 | – | – | – | 100,786 |
| Disposals | (740,000) | (44,788) | – | – | – | (784,788) |
| At 31 Mar 2019 | – | 1,007,862 | 30,082 | 14,138 | 79,563 | 1,131,645 |
| Depreciation | | | | | | |
| At 1 Apr 2018 | – | 845,614 | 16,009 | 3,534 | 72,583 | 937,740 |
| Charge for the year | – | 46,663 | 3,518 | 2,651 | 1,396 | 54,228 |
| Disposals | – | (23,505) | – | – | – | (23,505) |
| At 31 Mar 2019 | – | 868,772 | 19,527 | 6,185 | 73,979 | 968,463 |
| Carrying amount | | | | | | |
| At 31 Mar 2019 | – | 139,090 | 10,555 | 7,953 | 5,584 | 163,182 |
| At 31 Mar 2018 | 740,000 | 106,250 | 14,073 | 10,604 | 6,980 | 877,907 |

Tangible assets held at valuation

During the year the company transferred the property portfolio to its then parent company, Clyde Residential Limited at a market value of £740,000, by way of a dividend in specie. The company then acquired a retail property at a cost of £100,612. The director considers this to be a fair value of the asset at the year end.

7. Debtors

| | 2019 £ | 2018 £ |
|--------------------------------|------------------|------------------|
| Trade debtors | 4,038 | – |
| Prepayments and accrued income | 4,635 | 3,625 |
| Other debtors | 1,037,118 | 1,844,098 |
| | 1,045,791 | 1,847,723 |

During the year the company transferred £748,000 of the amount due from Clyde Estates Limited to Clyde Residential Limited by way of a dividend in specie.

8. Creditors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 7,672 | – |
| Amounts owed to group undertakings | 19,542 | – |
| Accruals and deferred income | 19,101 | 2,844 |
| Corporation tax | 19,339 | 50,163 |
| Social security and other taxes | 4,564 | 525 |
| Director loan accounts | 1,451 | 2,348 |
| Other creditors | 128,810 | 129,611 |
| | 200,479 | 185,491 |

Clyde Leisure Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

9. Director's advances, credits and guarantees

At the 31st of March 2019, the company owed the director £1,451 (2018: £2,348). This loan is interest free and has no fixed date for repayment.

10. Related party transactions

At the 31st March 2019 an amount of £829,376 was due from Clyde Estates Limited (2018: £1,636,376). Mr WH Stokes, shareholder, is a director of that company. This amount is included within other debtors.

At 31st March 2019 the company owed Mr WH Stokes, Mrs Stokes son, £11,961 (2018: £12,122). This loan is interest free and has no fixed date for repayment.

At 31st March 2019 the company owed Ms B Stokes, Mrs Stokes daughter, £9,839 (2018: £10,000). This loan is interest free and has no fixed date for repayment.

At 31st March 2019 the company owed Leisureway Inns £6,050. (2018: £6,050). That business is controlled by Mrs Stokes, director. There is no fixed date for repayment.

At the 31st of March 2019 an amount of £192,491 was due from Clyde Holdings, a business under the control of Mr W H Stokes, shareholder. (2018: £192,491).

At the 31st March 2019 an amount of £16,299 was due from Clyde Leisure Ltd SSAS & Clyde Estates Limited (2018: £15,231). This is a partnership in which the directors and shareholders have an interest.

At 31st March 2019 an amount of £19,542 was due to Clyde Residential Limited. There is no fixed date for repayment.

During the year, as part of a group restructuring, the shareholders of Clyde Leisure Limited transferred their shares in this company to Clyde Residential Limited in exchange for shares issued in that company. The company then paid a dividend in specie totalling £1,488,000 to Clyde Residential Limited. The shareholding was later transferred to Clyde Leisure Group Limited.

11. Controlling party

The entire share capital of the company has been held by Clyde Leisure Group Limited since the shares were transferred on 6 July 2018. The shareholding was initially transferred to Clyde Residential Limited and then to Clyde Leisure Group Limited. The ultimate controlling party is Mrs H Stokes, director, by virtue of her majority shareholding in Clyde Leisure Group Limited.