

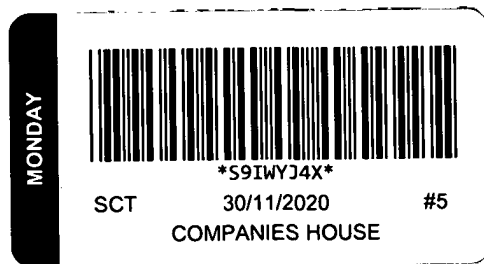
Coney Island Limited

Financial Statements

Year Ended

31 October 2019

Company Number 00950345



Coney Island Limited

Directors' Responsibilities Statement For the Year Ended 31 October 2019

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 year. Under that law the directors have elected to prepare the 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 company and of the profit or loss of the company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Coney Island Limited
Registered number: 00950345

Balance Sheet
As at 31 October 2019

| | Note | 2019 £ | 2018 £ |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 5 | 236,852 | 157,511 |
| Current assets | | | |
| Stocks | 6 | 769,104 | 660,308 |
| Debtors: amounts falling due within one year | 7 | 263,114 | 671,294 |
| Cash at bank and in hand | 8 | 2,052,206 | 3,508,684 |
| | | <u>3,084,424</u> | <u>4,840,286</u> |
| Creditors: amounts falling due within one year | 9 | (860,504) | (1,110,791) |
| Net current assets | | <u>2,223,920</u> | <u>3,729,495</u> |
| Net assets | | <u><u>2,460,772</u></u> | <u><u>3,887,006</u></u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 120 | 120 |
| Profit and loss account | 12 | 2,460,652 | 3,886,886 |
| | | <u><u>2,460,772</u></u> | <u><u>3,887,006</u></u> |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

19 November 2020



G Russell
Director

The notes on pages 3 to 12 form part of these financial statements.

Coney Island Limited

Notes to the Financial Statements For the Year Ended 31 October 2019

1. General information

Coney Island Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 4).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Turnover

Turnover from the club is recognised on a daily basis directly in relation to food and beverage products sold that day.

Membership fees are recognised in the accounting period to which they relate. To the extent that income is received in advance, it is deferred and recognised in the relevant period to which the membership relates.

Coney Island Limited

Notes to the Financial Statements For the Year Ended 31 October 2019

2. Accounting policies (continued)

2.3 Going concern

As at 31 October 2019 the company had net assets of £2,460,772 (2018 - £3,887,006). The company made a profit of £174,964 during the financial year (2018 - £663,819).

The directors have assessed, based on current projections, that the company has adequate resources to meet the ongoing costs of the business for a minimum of 12 months from the date of signing the financial statements.

As detailed in the directors report, the directors have also completed a thorough assessment of the impact of COVID-19, including scenario forecasting and stress testing. The directors have assessed that the actions and strategies available to them mitigate business threats under stress testing and under all scenarios reviewed, the forecasts demonstrated that the company could operate within its available funding arrangements.

As noted above, the directors have run scenarios whereby the business shuts for a period of 3 months. Despite this reduction in trading activity, the projections under these scenarios indicated that the company would remain operational from a cash flow perspective.

Therefore, as there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, the directors have concluded this does not represent a material uncertainty with regards to going concern.

Thus, the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

Coney Island Limited

Notes to the Financial Statements For the Year Ended 31 October 2019

2. Accounting policies (continued)

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

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 it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|----------------------------------|---------------------|
| Leasehold improvements | - 20% straight line |
| Fixtures, fittings and equipment | - 20% straight line |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price. The impairment loss is recognised immediately in profit or loss.

Coney Island Limited

Notes to the Financial Statements For the Year Ended 31 October 2019

2. Accounting policies (continued)

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of income and retained earnings.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Coney Island Limited

Notes to the Financial Statements For the Year Ended 31 October 2019

2. Accounting policies (continued)

3. Group treasury function

The company operates as a subsidiary within the Caledonian Heritable group. The parent company acts as treasury manager for the group, managing financing, borrowing facilities and cash on a group wide basis.

As a result, excess cash generated by the company can be used within the wider group to manage the group financing as required or cash requirements in excess of cash generated is provided by the wider group.

The company is therefore reliant on the parent company for such funding requirements and the directors have obtained confirmation from the parent company that such funding will be made available to the company for working capital purposes, should it be required.

4. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, the directors have made the following judgements:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

Coney Island Limited

Notes to the Financial Statements For the Year Ended 31 October 2019

5. Tangible fixed assets

| | Leasehold improve- ments £ | Fixtures, fittings and equipment £ | Total £ |
|-------------------------------------|-------------------------------------|---|------------|
| Cost or valuation | | | |
| At 1 November 2018 | 1,598,939 | 1,295,041 | 2,893,980 |
| Additions | - | 144,114 | 144,114 |
| At 31 October 2019 | 1,598,939 | 1,439,155 | 3,038,094 |
| Depreciation | | | |
| At 1 November 2018 | 1,557,361 | 1,179,108 | 2,736,469 |
| Charge for the year on owned assets | 9,674 | 55,099 | 64,773 |
| At 31 October 2019 | 1,567,035 | 1,234,207 | 2,801,242 |
| Net book value | | | |
| At 31 October 2019 | 31,904 | 204,948 | 236,852 |
| At 31 October 2018 | 41,578 | 115,933 | 157,511 |

6. Stocks

| | 2019 £ | 2018 £ |
|----------------|-----------|-----------|
| Stocks on hand | 769,104 | 660,308 |

Coney Island Limited

Notes to the Financial Statements For the Year Ended 31 October 2019

7. Debtors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------------|----------------|----------------|
| Trade debtors | 41,526 | 93,406 |
| Amounts owed by group undertakings | - | 449,592 |
| Other debtors | 73,687 | 579 |
| Prepayments and accrued income | 101,053 | 80,989 |
| Deferred taxation | 46,848 | 46,728 |
| | <u>263,114</u> | <u>671,294</u> |

8. Cash and cash equivalents

| | 2019 £ | 2018 £ |
|--------------------------|------------------|------------------|
| Cash at bank and in hand | <u>2,052,206</u> | <u>3,508,684</u> |

9. Creditors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------------|----------------|------------------|
| Trade creditors | 92,157 | 119,758 |
| Amounts owed to group undertakings | 24,756 | - |
| Corporation tax | - | 4,235 |
| Other taxation and social security | 157,332 | 88,404 |
| Other creditors and accruals | 586,259 | 898,394 |
| | <u>860,504</u> | <u>1,110,791</u> |

10. Deferred taxation

| | 2019 £ |
|----------------------------|----------------------|
| At beginning of year | 46,728 |
| Credited to profit or loss | 120 |
| At end of year | <u>46,848</u> |

Coney Island Limited

Notes to the Financial Statements For the Year Ended 31 October 2019

10. Deferred taxation (continued)

The deferred tax asset is made up as follows:

| | 2019 £ | 2018 £ |
|--------------------------------|---------------|---------------|
| Fixed asset timing differences | <u>46,848</u> | <u>46,728</u> |

11. Share capital

| | 2019 £ | 2018 £ |
|---|------------|------------|
| Allotted, called up and fully paid | | |
| 120 (2018 - 120) ordinary shares of £1 each | <u>120</u> | <u>120</u> |

All shares rank pari passu.

12. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

13. Dividends

| | 2019 £ | 2018 £ |
|----------------------------------|------------------|------------------|
| Dividends paid on equity capital | <u>1,601,198</u> | <u>1,500,000</u> |

14. Contingent liabilities

The company (together with other members of the group) has granted a debenture (incorporating a floating charge on all of the assets and undertakings of the company) and provided cross guarantees to secure banking facilities granted to the group. The contingent liability at the balance sheet date amounted to £10,209,666 (2018 - £5,343,857).

Coney Island Limited

Notes to the Financial Statements For the Year Ended 31 October 2019

15. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £18,977 (2018 - £10,244). Contributions totalling £2,153 (2018 - £Nil) were payable to the fund at the reporting date and are included in creditors.

16. Commitments under operating leases

As at 31 October 2019, the company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Not later than 1 year | 288,000 | 288,000 |
| Later than 1 year and not later than 5 years | 1,152,000 | 1,152,000 |
| Later than 5 years | 4,896,000 | 5,184,000 |
| | <u>6,336,000</u> | <u>6,624,000</u> |

17. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

Management fees paid to G Sangster, a shareholder in the company, for the year amounted to £39,996 (2018 - £39,996). Dividends committed to G Sangster at the year end totalled £Nil (2018 - £100,000).

18. Post balance sheet events

The outbreak of COVID-19 in early 2020 has affected business and economic activity around the world. The company considers this outbreak to be a non-adjusting post balance sheet event as of 1 November 2019. Details of the potential impact on the company are detailed in the directors report.

19. Ultimate parent undertaking and controlling party

The parent undertaking of the largest and smallest group for which consolidated financial statements are prepared is Caledonian Heritable Limited. Consolidated financial statements for Caledonian Heritable Limited are available from Companies House, 139 Fountainbridge, Edinburgh, EH3 9FF.

Caledonian Heritable Limited is ultimately controlled by K.H.M. Doyle.

Coney Island Limited

Notes to the Financial Statements For the Year Ended 31 October 2019

20. Auditor's information

The auditor's report on the financial statements for the year ended 31 October 2019 was unqualified.

The audit report was signed on 27 November 2020 by Alastair Rae (senior statutory auditor) on behalf of BDO LLP.