

Coney Island Limited

Directors' report and financial statements

Year ended

31 October 2018

Company Number 00950345

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Coney Island Limited

Company Information

Directors	K H M Doyle R G Arnott J M Glen G Russell G Sangster
Company secretary	F Grycuk
Registered number	00950345
Registered office	39 Jermyn Street London SW1Y 6DN
Independent auditor	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD
Bankers	Bank of Scotland 11 Earl Grey Street Edinburgh EH3 9BN HSBC 69 Pall Mall London SW1Y 5EY
Solicitors	DLA Piper Scotland LLP Rutland Square Edinburgh EH1 2AA

Coney Island Limited

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Coney Island Limited

Directors' report for the year ended 31 October 2018

The directors present their report and the financial statements for the year ended 31 October 2018.

Principal activity

The principal activities of the company were that of restaurateurs and night club owners.

Results and dividends

The profit for the year, after taxation, amounted to £663,819 (2017 - £673,595).

Directors

The directors who served during the year were:

K H M Doyle
R G Arnott
J M Glen
G Russell
G Sangster

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 29 April 2019 and signed on its behalf.



G Russell
Director

Coney Island Limited

Directors' responsibilities statement

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 judgments 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, to disclose with reasonable accuracy at any time the financial position of the company and to 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

Independent Auditor's Report to the Members of Coney Island Limited

Opinion

We have audited the financial statements of Coney Island Limited for the year ended 31 October 2018 which comprise the statement of income and retained earnings, the balance sheet 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2018 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Coney Island Limited

Independent Auditor's Report to the Members of Coney Island Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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;

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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.

In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Coney Island Limited

Independent Auditor's Report to the Members of Coney Island Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

User of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Rae (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Edinburgh
United Kingdom

30 April 2019

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

Coney Island Limited

Statement of income and retained earnings for the year ended 31 October 2018

	Note	2018 £	2017 £
Turnover	4	4,442,957	4,402,687
Cost of sales		(917,195)	(909,086)
Gross profit		3,525,762	3,493,601
Administrative expenses		(2,739,287)	(2,702,897)
Other operating income	5	24,958	23,231
Operating profit	6	811,433	813,935
Interest receivable and similar income	8	12,161	28,071
Profit before tax		823,594	842,006
Tax on profit	9	(159,775)	(168,411)
Profit after tax		663,819	673,595
Retained earnings at the beginning of the year		4,723,067	4,049,472
		4,723,067	4,049,472
Profit for the year		663,819	673,595
Dividends declared and paid		(1,500,000)	-
Retained earnings at the end of the year		3,886,886	4,723,067

The notes on pages 8 to 18 form part of these financial statements.

Coney Island Limited
Registered number: 00950345

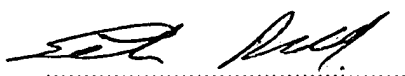
Balance sheet
as at 31 October 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	10	157,511	124,667
		<u>157,511</u>	<u>124,667</u>
Current assets			
Stocks		660,308	639,686
Debtors: amounts falling due within one year	11	671,294	1,825,217
Cash at bank and in hand	12	3,508,684	3,112,717
		<u>4,840,286</u>	<u>5,577,620</u>
Creditors: amounts falling due within one year	13	(1,110,791)	(979,100)
Net current assets		<u>3,729,495</u>	<u>4,598,520</u>
Total assets less current liabilities		<u>3,887,006</u>	<u>4,723,187</u>
Net assets		<u><u>3,887,006</u></u>	<u><u>4,723,187</u></u>
Capital and reserves			
Called up share capital	15	120	120
Profit and loss account	16	3,886,886	4,723,067
		<u>3,887,006</u>	<u>4,723,187</u>

The company's financial statements have been prepared in accordance with the 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

29 April 2019



G Russell
Director

The notes on pages 8 to 18 form part of these financial statements.

Coney Island Limited

Notes to the financial statements for the year ended 31 October 2018

1. General information

The company is a members limited liability company (limited by shares) and has a registered office address and company number as noted on the company information page. The principal activity is as described in the directors' report. The company was incorporated in London, UK, on 20 March 1969.

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 functional currency of the company is pounds sterling and the level of rounding applied is to the nearest £1.

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.

2.3 Interest income

Interest income is recognised in the statement of income and retained earnings using the effective interest method.

2.4 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 2018

2. Accounting policies (continued)

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, 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.

2.6 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 the statement of income and retained earnings.

2.7 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 2018

2. Accounting policies (continued)

2.8 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.

2.9 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.

2.10 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.

2.11 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.

2.12 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.

3. Judgments 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 2018

4. Turnover

The whole of the turnover is attributable to the entity's principal activity, that being the operation of a nightclub.

All turnover arose within the United Kingdom.

5. Other operating income

	2018 £	2017 £
Valet and sundry income	24,958	23,231
	<u>24,958</u>	<u>23,231</u>

6. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	30,990	22,180
Stock recognised is cost of sales during the year as an expense	909,086	909,117
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	5,950	5,875
Fees payable to the company's auditor and its associates for all other services	2,350	700
Other operating lease rentals	<u>288,000</u>	<u>288,000</u>

Coney Island Limited

Notes to the financial statements for the year ended 31 October 2018

7. Employees

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,124,679	1,019,854
Social security costs	91,567	129,386
Costs of defined contribution scheme	10,244	8,519
	<u>1,226,490</u>	<u>1,157,759</u>

No directors, in either 2018 or 2017, received any remuneration from the company.

The average monthly number of employees during the year, including the directors, was as follows:

	2018 £	2017 £
Administration	10	10
Restaurant and bar staff	40	45
Directors	6	6
	<u>56</u>	<u>61</u>

8. Interest receivable

	2018 £	2017 £
Interest receivable from group companies	12,161	28,071
	<u>12,161</u>	<u>28,071</u>

Coney Island Limited

Notes to the financial statements for the year ended 31 October 2018

9. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	148,782	167,668
Adjustments in respect of previous periods	-	(2,000)
	<u>148,782</u>	<u>165,668</u>
Total current tax	<u>148,782</u>	<u>165,668</u>
Deferred tax		
Origination and reversal of timing differences	10,993	2,743
Total deferred tax	<u>10,993</u>	<u>2,743</u>
Taxation on profit on ordinary activities	<u>159,775</u>	<u>168,411</u>

Coney Island Limited

Notes to the financial statements for the year ended 31 October 2018

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19.41%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>823,594</u>	<u>842,006</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.41%)	156,482	163,467
Effects of:		
Fixed asset differences	1,234	539
Expenses not deductible for tax purposes	1,900	6,795
Adjustments to tax charge in respect of prior periods	(10,222)	(2,000)
Other timing differences leading to an increase (decrease) in taxation	7,382	(390)
Adjustment to tax charge in respect of previous periods - deferred tax	2,999	-
Total tax charge for the year	<u>159,775</u>	<u>168,411</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Coney Island Limited

Notes to the financial statements for the year ended 31 October 2018

10. Tangible fixed assets

	Leasehold improve- ments £	Fixtures, fittings and equipment £	Total £
Cost or valuation			
At 1 November 2017	1,565,305	1,264,842	2,830,147
Additions	33,634	30,199	63,833
At 31 October 2018	1,598,939	1,295,041	2,893,980
Depreciation			
At 1 November 2017	1,553,970	1,151,509	2,705,479
Charge for the year on owned assets	3,391	27,599	30,990
At 31 October 2018	1,557,361	1,179,108	2,736,469
Net book value			
At 31 October 2018	41,578	115,933	157,511
At 31 October 2017	11,335	113,333	124,668

11. Debtors

	2018 £	2017 £
Trade debtors	93,406	71,520
Amounts owed by group undertakings	449,592	1,612,132
Other debtors	579	16,263
Prepayments and accrued income	80,989	67,581
Deferred taxation	46,728	57,721
	671,294	1,825,217

Coney Island Limited

Notes to the financial statements for the year ended 31 October 2018

12. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	3,508,684	3,112,717
	<u>3,508,684</u>	<u>3,112,717</u>

13. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	119,758	135,601
Corporation tax	4,235	100,453
Other taxation and social security	88,404	179,928
Other creditors and accruals	898,394	563,118
	<u>1,110,791</u>	<u>979,100</u>

14. Deferred taxation

	2018 £
At beginning of year	57,721
Credited to profit or loss	(10,993)
At end of year	<u>46,728</u>

The deferred tax asset is made up as follows:

	2018 £	2017 £
Fixed asset timing differences	46,728	57,721
	<u>46,728</u>	<u>57,721</u>

Coney Island Limited

Notes to the financial statements for the year ended 31 October 2018

15. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
120 (2017 - 120) Ordinary shares of £1.00 each	<u>120</u>	<u>120</u>

All shares rank pari passu.

16. Reserves

Profit & loss account

The profit and loss account represents the accumulated profits and losses of the company, less dividends paid.

Share capital

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

17. Dividends

	2018 £	2017 £
Dividends paid on equity capital	<u>1,500,000</u>	-
	<u>1,500,000</u>	-

No dividends were declared or paid during 2017.

18. 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 £5,343,857 (2017 - £5,357,947).

19. 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 £10,244 (2017 - £8,519). There were no outstanding contributions at the balance sheet date (2017 - £Nil).

Coney Island Limited

Notes to the financial statements for the year ended 31 October 2018

20. Commitments under operating leases

As at 31 October 2018, the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
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	5,184,000	5,472,000
	<u>6,624,000</u>	<u>6,912,000</u>

21. Related party transactions

The company has taken advantage of the exemption contained within Section 33 of FRS 102 not to disclose transactions with wholly owned subsidiaries within the group.

Management fees paid to G Sangster, a shareholder in the company, for the year amounted to £39,996 (2017 - £39,996). Dividends committed to G Sangster at the year end totalled £100,000 (2017 - £Nil).

At the year end the company declared a dividend of £1,500,000. This dividend was split £375,000 to its minority shareholders and £1,125,000 to Caledonian Heritable Limited. The dividends were paid post year end.

22. 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.