

Eden Gardens Entertainment Ltd
Financial Statements
30 November 2017



INGER & COMPANY
Chartered accountant & statutory auditor
7 Redbridge Lane East
Redbridge, Ilford
Essex IG4 5ET

Eden Gardens Entertainment Ltd

Financial Statements

Year ended 30 November 2017

| Contents | Page |
|---|-------------|
| Strategic report | 1 |
| Director's report | 2 |
| Independent auditor's report to the members | 4 |
| Statement of income and retained earnings | 8 |
| Statement of financial position | 9 |
| Statement of cash flows | 10 |
| Notes to the financial statements | 11 |

Eden Gardens Entertainment Ltd

Strategic Report

Year ended 30 November 2017

Business review

The company runs Cargo, a bar/restaurant in Shoreditch, London. Located in an urban disused railway yard, Cargo is Shoreditch's premier entertainment venue.

The turnover for year to 30 November 2017 was £6,947,464 (2016 - £7,080,079), a decrease of 1.87 %. The operating profit fell from £3,408,579 to £3,241,178, while the profit after tax dropped from £2,707,285 to £2,609,020 for the year.

The company faces a number of risks and uncertainties in the normal course of business. It continually assesses significant risks to ensure that appropriate action can be taken in time.

Principal risks and uncertainties

The director believes that the key business risks are in respect of economic conditions and competition from similar local and to some extent national establishments. Intervention by the Government with regard to alcohol duty and other taxes is an ever present risk. In view of these risks and uncertainties the director is aware that the company's development may be affected by factors outside the company's control and is constantly looking at both existing and potential developments in the industry.

Future development

The director anticipates the business environment will remain competitive but considers that the company is in a good financial position and is confident that the company will continue to be successful.

Financial instruments

The company has a normal level of exposure to price, credit, liquidity and cash flow risks.

This report was approved by the board of directors on 17 August 2018 and signed on behalf of the board by:



S Khan
Director

Trading address:
83 Rivington Street
London EC2A 3AY

Eden Gardens Entertainment Ltd

Director's Report

Year ended 30 November 2017

The director presents his report and the financial statements of the company for the year ended 30 November 2017.

Principal activities

The principal activity of the company during the period was that of a bar and music venue.

Director

The director who served the company during the year was as follows:

S Khan

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Disclosure of information in the strategic report

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments and financial instruments.

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

Eden Gardens Entertainment Ltd

Director's Report *(continued)*

Year ended 30 November 2017

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 17 August 2018 and signed on behalf of the board by:



S Khan
Director

Trading address:
83 Rivington Street
London EC2A 3AY

Eden Gardens Entertainment Ltd

Independent Auditor's Report to the Members of Eden Gardens Entertainment Ltd

Year ended 30 November 2017

Opinion

We have audited the financial statements of Eden Gardens Entertainment Ltd (the 'company') for the year ended 30 November 2017 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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.

Eden Gardens Entertainment Ltd

Independent Auditor's Report to the Members of Eden Gardens Entertainment Ltd (continued)

Year ended 30 November 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have 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 strategic report or the director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Eden Gardens Entertainment Ltd

Independent Auditor's Report to the Members of Eden Gardens Entertainment Ltd (continued)

Year ended 30 November 2017

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
 - Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
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Eden Gardens Entertainment Ltd

Independent Auditor's Report to the Members of Eden Gardens Entertainment Ltd (continued)

Year ended 30 November 2017

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

R C Patel (Senior Statutory Auditor)

For and on behalf of
Inger & Company
Chartered accountant & statutory auditor
7 Redbridge Lane East
Redbridge, Ilford
Essex IG4 5ET

17 August 2018

Eden Gardens Entertainment Ltd
Statement of Income and Retained Earnings
Year ended 30 November 2017

| | Note | 2017 £ | 2016 £ |
|---|-----------|------------------|------------------|
| Turnover | 4 | 6,947,464 | 7,080,079 |
| Cost of sales | | <u>812,487</u> | <u>973,406</u> |
| Gross profit | | 6,134,977 | 6,106,673 |
| Administrative expenses | | <u>2,926,799</u> | <u>2,731,094</u> |
| Other operating income | 5 | <u>33,000</u> | <u>33,000</u> |
| Operating profit | 6 | 3,241,178 | 3,408,579 |
| Interest payable and similar expenses | 10 | <u>6,452</u> | <u>8,932</u> |
| Profit before taxation | | 3,234,726 | 3,399,647 |
| Tax on profit | 11 | <u>625,706</u> | <u>692,362</u> |
| Profit for the financial year and total comprehensive income | | 2,609,020 | 2,707,285 |
| Dividends paid and payable | 12 | <u>(585,000)</u> | <u>—</u> |
| Retained earnings at the start of the year | | 7,353,647 | 4,646,362 |
| Retained earnings at the end of the year | | 9,377,667 | 7,353,647 |

All the activities of the company are from continuing operations.

The notes on pages 11 to 18 form part of these financial statements.

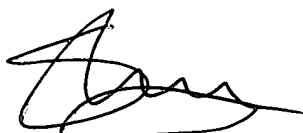
Eden Gardens Entertainment Ltd

Statement of Financial Position

30 November 2017

| | Note | 2017 £ | 2016 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Intangible assets | 13 | 150,237 | 213,687 |
| Tangible assets | 14 | <u>91,128</u> | <u>107,841</u> |
| | | 241,365 | 321,528 |
| Current assets | | | |
| Stocks | 15 | 37,420 | 31,324 |
| Debtors | 16 | 8,773,981 | 6,244,608 |
| Cash at bank and in hand | | <u>1,323,979</u> | <u>1,934,724</u> |
| | | 10,135,380 | 8,210,656 |
| Creditors: amounts falling due within one year | 18 | <u>992,391</u> | <u>1,169,827</u> |
| Net current assets | | 9,142,989 | 7,040,829 |
| Total assets less current liabilities | | 9,384,354 | 7,362,357 |
| Provisions | | | |
| Taxation including deferred tax | 19 | <u>6,686</u> | <u>8,709</u> |
| Net assets | | <u>9,377,668</u> | <u>7,353,648</u> |
| Capital and reserves | | | |
| Called up share capital | 22 | 1 | 1 |
| Profit and loss account | 23 | <u>9,377,667</u> | <u>7,353,647</u> |
| Shareholders funds | | <u>9,377,668</u> | <u>7,353,648</u> |

These financial statements were approved by the board of directors and authorised for issue on 17 August 2018, and are signed on behalf of the board by:



S Khan
Director

Company registration number: 06869497

The notes on pages 11 to 18 form part of these financial statements.

Eden Gardens Entertainment Ltd

Statement of Cash Flows

Year ended 30 November 2017

| | Note | 2017 £ | 2016 £ |
|---|------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Profit for the financial year | | 2,609,020 | 2,707,285 |
| <i>Adjustments for:</i> | | | |
| Depreciation of tangible assets | | 33,501 | 34,905 |
| Amortisation of intangible assets | | 67,350 | 66,425 |
| Interest payable and similar expenses | | 6,452 | 8,932 |
| Tax on profit | | 625,706 | 692,362 |
| Accrued income | | (3,794) | (5,521) |
| <i>Changes in:</i> | | | |
| Stocks | | (6,096) | (87) |
| Trade and other debtors | | (2,529,373) | (1,521,935) |
| Trade and other creditors | | (39,878) | 39,709 |
| Cash generated from operations | | 762,888 | 2,022,075 |
| Interest paid | | (6,452) | (8,932) |
| Tax paid | | (799,627) | (962,968) |
| Net cash (used in)/from operating activities | | <u>(43,191)</u> | <u>1,050,175</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible assets | | (16,788) | (4,599) |
| Purchase of intangible assets | | (3,900) | (3,900) |
| Net cash used in investing activities | | <u>(20,688)</u> | <u>(8,499)</u> |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | (185) | (51,630) |
| Dividends paid | | (585,000) | – |
| Net cash used in financing activities | | <u>(585,185)</u> | <u>(51,630)</u> |
| Net (decrease)/increase in cash and cash equivalents | | (649,064) | 990,046 |
| Cash and cash equivalents at beginning of year | | 1,934,724 | 944,678 |
| Cash and cash equivalents at end of year | 17 | <u>1,285,660</u> | <u>1,934,724</u> |

The notes on pages 11 to 18 form part of these financial statements.

Eden Gardens Entertainment Ltd

Notes to the Financial Statements

Year ended 30 November 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 7 Redbridge Lane East, Ilford, Essex, IG4 5ET.

2. Statement of compliance

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

3. 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.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after discounts and value added tax.

Revenue from the sale of food and beverages is recognised at the point of sale.

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.

Eden Gardens Entertainment Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 November 2017

3. Accounting policies *(continued)*

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

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 | - | Over 10 years |
| Website development costs | - | Over 4 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.

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:

| | | |
|--------------------------|---|------------------------|
| Short leasehold property | - | Over the term of lease |
| Fixtures & fittings | - | 25% reducing balance |

Eden Gardens Entertainment Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 November 2017

3. Accounting policies *(continued)*

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.

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.

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.

Eden Gardens Entertainment Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 November 2017

4. Turnover

Turnover arises from:

| | 2017 £ | 2016 £ |
|---------------|------------------|------------------|
| Sale of goods | <u>6,947,464</u> | <u>7,080,079</u> |

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other operating income

| | 2017 £ | 2016 £ |
|------------------------|---------------|---------------|
| Other operating income | <u>33,000</u> | <u>33,000</u> |

6. Operating profit

Operating profit or loss is stated after charging:

| | 2017 £ | 2016 £ |
|-----------------------------------|---------------|---------------|
| Amortisation of intangible assets | 67,350 | 66,425 |
| Depreciation of tangible assets | <u>33,501</u> | <u>34,905</u> |

7. Auditor's remuneration

| | 2017 £ | 2016 £ |
|--|--------------|--------------|
| Fees payable for the audit of the financial statements | <u>4,600</u> | <u>2,500</u> |

8. Staff costs

The average number of persons employed by the company during the year, including the director, amounted to:

| | 2017 No. | 2016 No. |
|----------------------|-------------|-------------|
| Administrative staff | 65 | 58 |
| Management staff | <u>12</u> | <u>10</u> |
| | <u>77</u> | <u>68</u> |

The aggregate payroll costs incurred during the year, relating to the above, were:

| | 2017 £ | 2016 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,539,733 | 1,286,775 |
| Social security costs | 20,404 | 20,408 |
| Other pension costs | <u>7,970</u> | <u>6,695</u> |
| | <u>1,568,107</u> | <u>1,313,878</u> |

Eden Gardens Entertainment Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 November 2017

9. Director's remuneration

The director's aggregate remuneration in respect of qualifying services was:

| | 2017 £ | 2016 £ |
|--------------|----------------|----------------|
| Remuneration | <u>176,789</u> | <u>176,408</u> |

10. Interest payable and similar expenses

| | 2017 £ | 2016 £ |
|--|--------------|--------------|
| Interest on banks loans and overdrafts | <u>6,452</u> | <u>8,932</u> |

11. Tax on profit

Major components of tax expense

| | 2017 £ | 2016 £ |
|--|----------------|----------------|
| Current tax: | | |
| UK current tax expense | 627,729 | 693,578 |
| Adjustments in respect of prior periods | — | (2) |
| Total current tax | <u>627,729</u> | <u>693,576</u> |
| Deferred tax: | | |
| Origination and reversal of timing differences | <u>(2,023)</u> | <u>(1,214)</u> |
| Tax on profit | <u>625,706</u> | <u>692,362</u> |

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 19% (2016: 20%).

| | 2017 £ | 2016 £ |
|--|------------------|------------------|
| Profit on ordinary activities before taxation | <u>3,234,726</u> | <u>3,399,647</u> |
| Profit on ordinary activities by rate of tax | 625,273 | 688,535 |
| Adjustment to tax charge in respect of prior periods | — | (2) |
| Effect of expenses not deductible for tax purposes | 2,465 | 2,520 |
| Effect of capital allowances and depreciation | (9) | 2,523 |
| Origination and reversal of timing differences | <u>(2,023)</u> | <u>(1,214)</u> |
| Tax on profit | <u>625,706</u> | <u>692,362</u> |

Eden Gardens Entertainment Ltd

Notes to the Financial Statements (continued)

Year ended 30 November 2017

12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

| | 2017 £ | 2016 £ |
|----------------------------|----------------|-----------|
| Dividends on equity shares | <u>585,000</u> | <u>—</u> |

13. Intangible assets

| | Goodwill £ | Development costs £ | Total £ |
|----------------------------|----------------|---------------------------|-----------------------|
| Cost | | | |
| At 1 December 2016 | 635,000 | 11,700 | 646,700 |
| Additions | — | 3,900 | 3,900 |
| At 30 November 2017 | <u>635,000</u> | <u>15,600</u> | <u>650,600</u> |
| Amortisation | | | |
| At 1 December 2016 | 428,625 | 4,388 | 433,013 |
| Charge for the year | 63,500 | 3,850 | 67,350 |
| At 30 November 2017 | <u>492,125</u> | <u>8,238</u> | <u>500,363</u> |
| Carrying amount | | | |
| At 30 November 2017 | <u>142,875</u> | <u>7,362</u> | <u>150,237</u> |
| At 30 November 2016 | <u>206,375</u> | <u>7,312</u> | <u>213,687</u> |

14. Tangible assets

| | Land and buildings £ | Fixtures and fittings £ | Total £ |
|----------------------------|----------------------------|-------------------------------|-----------------------|
| Cost | | | |
| At 1 December 2016 | 125,000 | 213,393 | 338,393 |
| Additions | — | 16,788 | 16,788 |
| At 30 November 2017 | <u>125,000</u> | <u>230,181</u> | <u>355,181</u> |
| Depreciation | | | |
| At 1 December 2016 | 84,375 | 146,177 | 230,552 |
| Charge for the year | 12,500 | 21,001 | 33,501 |
| At 30 November 2017 | <u>96,875</u> | <u>167,178</u> | <u>264,053</u> |
| Carrying amount | | | |
| At 30 November 2017 | <u>28,125</u> | <u>63,003</u> | <u>91,128</u> |
| At 30 November 2016 | <u>40,625</u> | <u>67,216</u> | <u>107,841</u> |

Eden Gardens Entertainment Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 November 2017

15. Stocks

| | 2017 | 2016 |
|-------|---------------|---------------|
| | £ | £ |
| Stock | <u>37,420</u> | <u>31,324</u> |

16. Debtors

| | 2017 | 2016 |
|--------------------------------|------------------|------------------|
| | £ | £ |
| Prepayments and accrued income | 38,219 | 28,238 |
| Other debtors | <u>8,735,762</u> | <u>6,216,370</u> |
| | <u>8,773,981</u> | <u>6,244,608</u> |

17. Cash and cash equivalents

Cash and cash equivalents comprise the following:

| | 2017 | 2016 |
|--------------------------|------------------|------------------|
| | £ | £ |
| Cash at bank and in hand | 1,323,979 | 1,934,724 |
| Bank overdrafts | <u>(38,319)</u> | <u>—</u> |
| | <u>1,285,660</u> | <u>1,934,724</u> |

18. Creditors: amounts falling due within one year

| | 2017 | 2016 |
|---------------------------------|----------------|------------------|
| | £ | £ |
| Bank loans and overdrafts | 38,319 | — |
| Trade creditors | 15,733 | 33,646 |
| Accruals and deferred income | 11,735 | 15,529 |
| Corporation tax | 634,181 | 806,079 |
| Social security and other taxes | 291,722 | 314,187 |
| Director loan accounts | 201 | 386 |
| Other creditors | <u>500</u> | <u>—</u> |
| | <u>992,391</u> | <u>1,169,827</u> |

19. Provisions

| | Deferred tax (note 20) |
|----------------------------|---------------------------|
| | £ |
| At 1 December 2016 | 8,709 |
| Charge against provision | <u>(2,023)</u> |
| At 30 November 2017 | <u>6,686</u> |

Eden Gardens Entertainment Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 November 2017

20. Deferred tax

The deferred tax included in the statement of financial position is as follows:

| | 2017 | 2016 |
|----------------------------------|--------------|--------------|
| | £ | £ |
| Included in provisions (note 19) | <u>6,686</u> | <u>8,709</u> |

The deferred tax account consists of the tax effect of timing differences in respect of:

| | 2017 | 2016 |
|--------------------------------|--------------|--------------|
| | £ | £ |
| Accelerated capital allowances | <u>6,686</u> | <u>8,709</u> |

21. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £7,970 (2016: £6,695).

22. Called up share capital

Issued, called up and fully paid

| | 2017 | | 2016 | |
|----------------------------|----------|----------|----------|----------|
| | No. | £ | No. | £ |
| Ordinary shares of £1 each | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |

23. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

24. Related party transactions

Debtors falling due within one year include £8,673,261 (2016 - £6,078,269) due from associated companies where Mr S Khan is a shareholder and director.

Dividend of £585,000 (2016 - Nil) was paid to the director, who is the sole shareholder.