

Registered No.
03235178

Zelgrain Limited

Report and Financial Statements

13 August 2023

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COMPANIES HOUSE

Zelgrain Limited
Period ended 13 August 2023

COMPANY INFORMATION

DIRECTORS

P A Bennett
G George
E Bashforth

AUDITOR

Cooper Parry Group Limited
Sky View
Argosy Road
East Midlands Airport
Derby
DE74 2SA

BANKERS

Royal Bank of Scotland plc
10 Gordon Road
Glasgow
G1 3PL

REGISTERED OFFICE

146 Springfield Road
Brighton
BN1 6BZ

Zelgrain Limited
Period ended 13 August 2023

STRATEGIC REPORT

Registered No. 03235178

PRINCIPAL ACTIVITY

The principal activity of the company is to provide the use of its public houses to The Laine Pub Company, its parent company in return for a management charge.

RESULTS AND DIVIDENDS

The loss after taxation for the 52 week period amounted to £1,288,000 (52 week period ended 14 August 2022: profit after taxation of £429,000). The directors do not propose the payment of a final dividend (2022: £nil).

REVIEW OF THE BUSINESS

Operations are managed at a group level and the directors therefore believe that disclosure of key performance indicators for the company are not appropriate to understand the development, performance or position of the business. The performance of the group is discussed in the Punch Pubs & Co Group Limited Annual Report and Financial Statements which are available from Companies House. The directors do not consider that there are any specific principal risks and uncertainties applicable to the company which need to be disclosed.

GOING CONCERN

After due consideration the directors believe that they have a reasonable expectation that the company has sufficient resources to continue in operational existence for the 12 months from the date of approval of these financial statements, and therefore continue to adopt the going concern in their preparation. Please see note 2 for further details.

On behalf of the board

DocuSigned by:

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E Bashforth
Director
08 Dec 2023

Zelgrain Limited
Period ended 13 August 2023

DIRECTORS' REPORT

Registered No. 03235178

The directors present their report and financial statements for the financial period ended 13 August 2023.

DIRECTORS

The directors of the company who served during the period are listed on the company information page.

A third party indemnity provision (as defined in section 234 of the Companies Act 2006) is in force for the benefit of the directors.

APPROVAL OF REDUCED DISCLOSURES

The company, as a qualifying entity, has taken advantage, in respect of its separate financial statements, of the disclosure exemptions in FRS 102 paragraph 1.12. The company's shareholder was notified in a previous year in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

DISCLOSURE IN THE STRATEGIC REPORT

Details of risks and uncertainties, future developments can be found in the strategic report and form part of this report by cross-reference.

AUDIT INFORMATION

The directors confirm that, so far as they are aware, there is no relevant audit information of which the auditor is unaware and that each director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

The company has elected to dispense with the obligation to appoint an auditor annually under s487 of the Companies Act 2006.

On behalf of the board

DocuSigned by:

E38104E2849E48D...

E Bashforth
Director

08 December 2023

Zelgrain Limited
Period ended 13 August 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the directors' report, the strategic 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZELGRAIN LIMITED

Opinion

We have audited the financial statements Zelgrain Limited (the 'company') for the 52 week period ended 13 August 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related 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 13 August 2023 and of the company's profit for the 52 weeks then ended;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements 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

In auditing the financial statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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 directors are responsible for the other information contained with the annual report. 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. 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZELGRAIN LIMITED

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.

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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice, and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZELGRAIN LIMITED

Auditor's responsibilities for the audit of the financial statements (cont'd)

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the pub sector;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias, in particular the director's assessment of impairment of property and post-employment benefits.
- investigated the rationale behind significant or unusual transactions;
- reviewed director's assessment of its revaluation policy; and
- reviewed nominals of certain nominal codes for indication of any management override.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

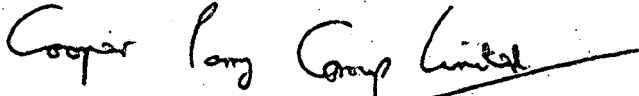
- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and associated parties

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZELGRAIN LIMITED

Use 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.



Katharine Warrington (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 08 December 2023

Zelgrain Limited
Period ended 13 August 2023

PROFIT & LOSS ACCOUNT
for the 52 week period ended 13 August 2023

		52 week period ended 13 August 2023			52 week period ended 14 August 2022		
	Notes	Underlying items	Non-underlying items (note 5)	Total	Underlying items	Non-underlying items (note 5)	Total
		£000	£000	£000	£000	£000	£000
TURNOVER	3	1,891	-	1,891	2,091	-	2,091
GROSS PROFIT		1,891	-	1,891	2,091	-	2,091
Administrative Expenses		(1,617)	-	(1,617)	(1,955)	-	(1,955)
Loss on disposal of fixed assets		-	-	-	-	(72)	(72)
Onerous lease provision movement	13	-	(627)	(627)	-	(236)	(236)
Impairment of tangible fixed assets	9	-	(283)	(283)	-	-	-
Other Income	5	-	-	-	-	38	38
OPERATING PROFIT / (LOSS)	4	274	(910)	(636)	136	(270)	(134)
Interest payable and similar charges	7	(25)	-	(25)	(11)	-	(11)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		249	(910)	(661)	125	(270)	(145)
Tax on profit / (loss) on ordinary activities	8	(60)	(567)	(627)	341	233	574
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		189	(1,477)	(1,288)	466	(37)	429

The profit and loss account relates to continuing activities.

Zelgrain Limited
Period ended 13 August 2023

STATEMENT OF COMPREHENSIVE INCOME
for the 52 week period ended 13 August 2023


	52 week period ended 13 August 2023 £000	52 week period ended 14 August 2022 £000
(Loss) / profit for the period	(1,288)	429
Other comprehensive income:		
Revaluation reserve movement	(40)	-
Deferred tax movement on revaluation reserve	9	4
Other comprehensive (loss) / income for the year, net of income tax	<u>(31)</u>	<u>4</u>
Total recognised (loss) / profit in the period	<u><u>(1,319)</u></u>	<u><u>433</u></u>
Total (losses) / profit since the last report	<u><u>(1,319)</u></u>	<u><u>433</u></u>

Zelgrain Limited
Period ended 13 August 2023

BALANCE SHEET
as at 13 August 2023

	Notes	13 August 2023 £000	14 August 2022 £000
NON CURRENT ASSETS			
Tangible fixed assets	9	9,414	10,220
		<u>9,414</u>	<u>10,220</u>
CURRENT ASSETS			
Debtors: (including £404,000 (2022: £1,022,000) due after more than one year)	10	729	4,051
Cash and cash equivalents	11	10	60
		<u>739</u>	<u>4,111</u>
CURRENT LIABILITIES			
Creditors: amounts falling due in less than one year	12	(7,538)	(10,864)
		<u>(7,538)</u>	<u>(10,864)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,615</u>	<u>3,467</u>
NON-CURRENT LIABILITIES			
Provisions	13	(831)	(364)
NET ASSETS		<u>1,784</u>	<u>3,103</u>
CAPITAL AND RESERVES			
Called up share capital	15	38	38
Share premium		468	468
Revaluation reserve		2,239	2,270
Profit and loss account		(961)	327
SHAREHOLDER'S FUNDS		<u>1,784</u>	<u>3,103</u>

The financial statements were approved and authorised for issue by the board and signed on its behalf on
08 December 2023

DocuSigned by:

E38104E2849E48D...
E Bashforth

Registered No. 03235178

Zelgrain Limited
Period ended 13 August 2023

STATEMENT OF CHANGES IN EQUITY
for the 52 week period ended 13 August 2023

	Share Capital £000	Share premium £000	Revaluation Reserve £000	Profit & Loss Account £000	Total Equity £000
At 15 August 2021	38	468	2,266	(102)	2,670
Total gains for the period	-	-	-	429	429
Deferred tax asset movement	-	-	4	-	4
At 14 August 2022	38	468	2,270	327	3,103
Realised surplus from impairment	-	-	(40)	-	(40)
Total losses for the period	-	-	-	(1,288)	(1,288)
Deferred tax asset movement	-	-	9	-	9
At 13 August 2023	38	468	2,239	(961)	1,784

Share capital represents the nominal value of shares that have been issued.

Share premium account represents the excess paid on the nominal value of shares issued by the company.

The revaluation reserve represents amounts revalued in relation to properties.

The profit and loss account represents all current and prior periods retained profit and losses after the payment of dividends.

Zelgrain Limited
Period ended 13 August 2023

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 13 August 2023

1 STATUTORY INFORMATION

Zelgrain Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the company information page.

The principal activity of the company is to provide the use of its public houses to The Laine Pub Company, its parent company in return for a management charge.

2 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historic cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The financial statements have been prepared over a 52 week period to 13 August 2023.

The functional currency of Zelgrain Limited is considered to be Sterling because that is the currency of the primary economic environment in which the company operates. The consolidated financial statements are also presented in Sterling.

Zelgrain Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Zelgrain Limited is consolidated in the financial statements of a parental entity Punch Pubs & Co Group Limited.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows
- the requirement of section 11 Financial Instruments paragraphs 11.41, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of Section 33.1A Related Party Disclosures paragraph 33.7.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss or as available for sale. All amounts in the financial statements and notes have been rounded off to the nearest thousand Sterling Pound, unless otherwise stated.

Fundamental accounting concept - going concern

After due consideration the directors believe that they have a reasonable expectation that the company has sufficient resources to continue in operational existence for the 12 months from the date of approval of these financial statements, and therefore continue to adopt the going concern in their preparation. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern; such as the recoverability of balances due from fellow group undertakings.

Significant accounting estimates and judgement

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Zelgrain Limited
Period ended 13 August 2023

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 13 August 2023

Critical judgements and estimates in applying the company's accounting policies

There are no significant judgements or estimates likely to have a material impact on future financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and VAT.

Tangible fixed assets

Tangible fixed assets are held at cost less depreciation.

Revaluation

As a result of the move to FRS 102 properties are now held at deemed cost at the date of transition, 01 July 2014 and are no longer revalued.

Where depreciation charges had previously been increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves.

Depreciation

Depreciation is charged on a straight-line basis on freehold and long leasehold buildings over the estimated useful life of the asset. It is the company's policy to maintain the properties comprising the licensed estate in such a condition that the residual values of the properties, based on prices prevailing at the time of acquisition or subsequent revaluation, are at least equal to their book values. As a result, the depreciation charged on freehold and long leasehold buildings is nil.

It is the opinion of the directors that it is not practical or appropriate to separate from the value of the buildings the value of long life fixtures and fittings, which are an integral part of the buildings. This approach is supported by the opinion of an independent external adviser.

Landlord's fixtures and fittings include removable items, which are generally regarded as within landlord ownership. These are depreciated in accordance with the policy detailed below.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short Lease land and buildings	-	Straight line over the lease life
Plant, machinery, fixtures & fittings	-	Over 5 and 7 years
Leasehold Improvements	-	7 years

Impairment of Fixed Assets

Property, plant and equipment are reviewed for impairment if circumstances suggest that the carrying amount may not be recoverable. Recoverable amounts are determined based on value-in-use calculations and estimated sale proceeds. These calculations require assumptions to be made regarding future cash flows and the choice of a suitable discount rate in order to calculate the present value of those cash flows. Actual outcomes may vary from these estimates.

Zelgrain Limited
Period ended 13 August 2023

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 13 August 2023

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is not provided on unremitted earnings where there is no binding commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Financial Liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is a contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation to transfer economic resources as a result of past events.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. Provisions are discounted if the effect of the time value of money is material. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Leasing commitments

Assets held under finance leases are capitalised in the balance sheet and are depreciated over their useful economic lives. The capital elements of future obligations under leases are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and represent a constant proportion of the balance of capital repayments outstanding.

Grant Income

Grants are recognised only when there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. Grants that are receivable as compensation for expenses already incurred are recognised in profit or loss in the period that they become receivable. Grant income has been recognised within non underlying items.

Non-underlying items

In order to provide a trend measure of underlying performance, profit is presented excluding items that management believe will distort comparability, either due to their significant nature, or as a result of specific accounting treatments. Further detail on the nature of non-underlying items is included in note 5.

Zelgrain Limited
Period ended 13 August 2023

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 13 August 2023

3 TURNOVER

Turnover represents management charge income which is recharged to other companies within the same group.

Turnover includes:

	52 week period ended 13 August 2023 £000	52 week period ended 14 August 2022 £000
Management charge income	<u>1,891</u>	<u>2,091</u>

4 OPERATING PROFIT / (LOSS)

This is stated after charging:

	52 week period ended 13 August 2023 £000	52 week period ended 14 August 2022 £000
Depreciation	<u>1,801</u>	<u>1,992</u>

Auditor remuneration is paid by another company in the Punch Pubs & Co. Group Limited group in the current period, the amount relating to this company is £1,000 (2022: £1,000).

Zelgrain Limited
Period ended 13 August 2023

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 13 August 2023

5 NON-UNDERLYING ITEMS

	52 week period ended 13 August 2023 £000	52 week period ended 14 August 2022 £000
Onerous lease provision movement (note 13)	627	236
Impairment of tangible fixed assets (note 9)	283	-
Included within other operating income:		
Grant Income ¹	-	(38)
Included within fixed asset disposals:		
Loss on disposal	-	72
Tax relief on non-underlying items	-	(172)
Net effect of expenses not deductible for tax purposes	-	14
Adjustments to tax in respect of prior periods	-	(75)
	<u>-</u>	<u>(233)</u>
	<u>910</u>	<u>37</u>

¹ Represents grant income from local government due to the COVID pandemic.

6 EMPLOYEES AND DIRECTORS

There were no employees in the current year and prior year.

The directors remuneration are borne by another group company, (2022: nil). Their roles within the company are deemed to be incidental to their wider roles within the group and therefore the company bears no costs in relation to the directors.

Zelgrain Limited
Period ended 13 August 2023

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 13 August 2023

7 INTEREST PAYABLE AND SIMILAR CHARGES

	52 week period ended 13 August 2023 £000	52 week period ended 14 August 2022 £000
Unwinding of discount effect of onerous lease provision (note 13)	<u>25</u>	<u>11</u>

Zelgrain Limited
Period ended 13 August 2023

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 13 August 2023

8 TAXATION

Tax recognised in the profit and loss account

	52 week period ended 13 August 2023 £000	52 week period ended 14 August 2022 £000
Current tax:		
- adjustments in respect of prior periods	-	(75)
	<u>-</u>	<u>(75)</u>
Deferred tax:		
- origination and reversal of temporary differences	(87)	(499)
- adjustments in respect of prior periods	714	-
	<u>627</u>	<u>(499)</u>
Total tax charge / (credit) for the period	<u><u>627</u></u>	<u><u>(574)</u></u>

Tax recognised in other comprehensive income

	52 week period ended 13 August 2023 £000	52 week period ended 14 August 2022 £000
Deferred tax movement on revaluation reserve	9	4
	<u><u>9</u></u>	<u><u>4</u></u>

Reconciliation of tax charge / (credit)

	52 week period ended 13 August 2023 £000	52 week period ended 14 August 2022 £000
Loss on ordinary activities before taxation	<u>(661)</u>	<u>(145)</u>
Current tax at 21.2% (2022: 19.00%)	(140)	(28)
Effects of:		
Non-taxable income not deductible for tax purposes	67	(351)
Adjustments in respect of prior periods	715	(75)
Current period non-underlying charges	(15)	(120)
Total tax charge / (credit)	<u><u>627</u></u>	<u><u>(574)</u></u>

Following on from the budget on 3 March 2021 an announcement was made to increase the corporation tax rate to 25% with effect from 1 April 2023. Based on the change in tax rate the deferred tax balance has been calculated and recognised based on the 25% enacted rate.

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NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 13 August 2023

9 TANGIBLE FIXED ASSETS

	Land & buildings £000	Plant, machinery, fixtures & fittings £000	Total £000
Cost or valuation:			
As at 14 August 2022	23,716	9,047	32,763
Additions	243	1,074	1,317
Disposals	(4,190)	(3,198)	(7,388)
Transfers	203	(203)	-
As at 13 August 2023	19,972	6,720	26,692
Depreciation:			
As at 14 August 2022	15,583	6,960	22,543
Charge for the year	1,200	601	1,801
Impairment losses	176	146	322
Disposals	(4,190)	(3,198)	(7,388)
Transfers	90	(90)	-
As at 13 August 2023	12,859	4,419	17,278
Net book value:			
As at 13 August 2023	7,113	2,301	9,414
As at 14 August 2022	8,133	2,087	10,220

The transfer line relates to the reclassification of leasehold improvements from plant, machinery, fixtures & fittings to Land and Buildings as it was deemed to be more representative of the underlying asset. Our accounting policy, in note 2, has been updated to reflect this.

If land and buildings had been measured using the cost model, the carrying amounts would be as follows:

	Total £000
Cost	12,923
Accumulated depreciation	(5,365)
Net book value at 13 August 2023	7,558
Net book value at 14 August 2022	7,044

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10 DEBTORS

	2023 £000	2022 £000
Amounts falling due in less than one year:		
Trade debtors	9	-
Amounts due from group undertakings	313	2,954
Prepayments and accrued income	3	-
Corporation tax	-	75
	<u>325</u>	<u>3,029</u>
Amounts falling due after more than one year:		
	2023 £000	2022 £000
Deferred tax asset (note 14)	404	1,022
	<u>729</u>	<u>4,051</u>

11 CASH AND CASH EQUIVALENTS

	2023 £000	2022 £000
Cash at bank and in hand	<u>10</u>	<u>60</u>

12 CREDITORS: amounts falling due in less than one year

	2023 £000	2022 £000
Trade creditors	7	10
Amounts owed to group undertakings	7,381	10,644
Accruals and deferred income	150	210
	<u>7,538</u>	<u>10,864</u>

13 PROVISIONS FOR LIABILITIES

	2023 £000	2022 £000
Opening Provision	364	154
Utilised during the period	(185)	(37)
Unwinding of discount effect of provisions	25	11
Charged/(Credited) directly to the profit and loss account ¹	627	236
Closing Provision	<u>831</u>	<u>364</u>

¹ £627,000 of the onerous lease provision was charged to the profit or loss account in the year (2022: £236,000), of which £nil (2022: £nil) relates to leases which have been contractually agreed to surrender.

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14 DEFERRED TAX

The movements in deferred tax assets during the period are shown below:

Deferred tax liabilities / (assets)

	Accelerated capital allowances £000
At 15 August 2021	(519)
Credited to profit and loss account	(499)
Charged to equity	(4)
At 14 August 2022	(1,022)
Charged to profit and loss account	627
Credited to equity	(9)
At 13 August 2023	(404)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be utilised.

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15 SHARE CAPITAL

	2023	2023	2022	2022
	No.	£000	No.	£000
<i>Allotted, called up and fully paid:</i>				
Ordinary shares of £1 each	37,784	38	37,784	38

Zelgrain Limited
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16 FINANCIAL COMMITMENTS

At 13 August 2023 the company had commitments under non-cancellable operating leases as set out below:

Land and buildings

	2023	2022
	£000	£000
Less than one year	4,861	4,807
Between one and five years	18,200	18,841
More than five years	53,459	57,590
	<u>76,520</u>	<u>81,238</u>

The company leases various licensed properties, offices and other commercial properties under non-cancellable operating lease agreements. The leases have various terms, escalation clauses and renewal rights.

17 RELATED PARTY DISCLOSURES

As the company is a wholly owned subsidiary it has taken advantage of the exemption permitted by FRS 102 33.1A not to disclose any transactions or balances with entities that are part of the Punch Pubs & Co Limited Group.

18 ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is The Laine Pub Company Limited a company registered in England & Wales.

Following completion of the sale of the Punch Group from Patron on 15th December 2021 the ultimate parent undertaking and controlling entity of the company is CF Cooper Holdings LP (the "Partnership"), a Cayman Islands limited partnership. As no one partner owns or controls more than 50% of the economics of the partnership, the partnership can be considered the ultimate parent. Prior to the acquisition, the company's ultimate parent undertaking and controlling party is Patron Capital, V L.P., a Jersey L.P. managed and controlled in Jersey.

The largest group in which the results of the company are consolidated is that headed by CF Cooper Holdings Limited, a company registered in England & Wales. The smallest group in which the results of the company are consolidated is that headed by The Laine Pub Company Limited, a company registered in England & Wales. The company is also included within Punch Pubs & Co Group Limited group, a company registered in England & Wales.

Copies of the financial statements of CF Cooper Holdings Limited, Punch Pubs & Co Group Limited and The Laine Pub Company Limited are available from Companies House.