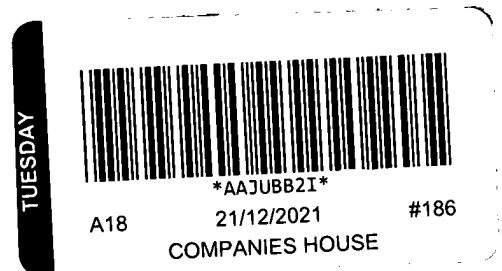


COMPANY REGISTRATION NUMBER: 06291350

Venice Regal Sheffield Limited
Financial Statements
31 March 2021



HEBBLETHWAITES
Chartered Accountants & Statutory Auditors
2 Westbrook Court
Sharrow Vale Road
Sheffield
S11 8YZ

Venice Regal Sheffield Limited

Financial Statements

Year ended 31 March 2021

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Venice Regal Sheffield Limited

Strategic Report

Year ended 31 March 2021

Following on from the initial challenges of the previous year as the global pandemic began to impact, this latest year has been the most difficult in the history of the company given the full effect of COVID-19 virtually throughout the year.

As a result of the extended periods of lockdown during the year with the well documented effect on the hospitality industry in particular, the company turnover fell by some 61.8%, year on year, with a resultant pre-tax loss for the period of £344,570.

The company suffered from the consequential effects of the pandemic, but with a return to full activities as the restrictions were released.

The key performance indicators for the year were as follows:

Turnover decreased by £1.867 million or 61.8%.

The Gross Profit Percentage Return reduced to 23% from 36.7% in the prior year.

The Operating Loss for the year amounted to £344,015 (2020: Loss of £281,338).

The net Loss for the year was £344,570 (2020 loss of £282,878) prior to any revaluation movements.

The company has been able to survive throughout the lockdown periods by means of the various financial support measures put in place by the UK Government, along with continued and extended support from related party companies, this sitting alongside the company bankers.

Despite the inevitable and global negative impact of the pandemic, the directors are now of the view that there is a significant potential for very positive trading in a post pandemic buoyant market.

The company has a very strong market presence in the specialist functions market, particularly in relation to weddings.

There remains a very significant element of pent-up demand for wedding functions, to include those postponed during the pandemic but also creating an element of pressure on couples planning to marry in knowledge of the consequential scarcity of venue availability. Bookings and demand continue to be at record levels.

In addition, the so called staycation market continues its unprecedented demand, as there remains an inevitable reticence, on the part of a significant proportion of the UK population, to even consider foreign travel, and the underlying desire for some form of vacation will create significant demand which is not expected to be as price sensitive as has historically been the case.

The directors are clearly monitoring the cash flow position and the availability of working capital to fund this re-emergence and are confident of having access to the resources sufficient to take maximum advantage of the opportunities which will arise.

There remain, inevitably, inherent risks as a result of the nature of the trade and the intensive utilisation of the company's premises in an environment where infections can easily be transmitted. The company takes extensive precautions to minimise such risks, as far as is practical. However, Covid-19 is beyond the control of the directors, and the pandemic is a significant risk to the company, and is expanded on in note 3 to the financial statements.

The company continues to be reliant on funding from related parties. This funding is under constant review, this supporting the view that the funding will remain in place for the foreseeable future.

Venice Regal Sheffield Limited

Strategic Report *(continued)*

Year ended 31 March 2021

This report was approved by the board of directors on 13 December 2021 and signed on behalf of the board by:



Mr N Burgin
Director



G J Davies
Director

Registered office:
C/O Director of Finance
Kenwood Hall Hotel
Kenwood Road
Sheffield
S7 1NQ

Venice Regal Sheffield Limited

Directors' Report

Year ended 31 March 2021

The directors present their report and the financial statements of the company for the year ended 31 March 2021.

Directors

The directors who served the company during the year were as follows:

Ms S Howes

Mr N Burgin

G Dyke

G J Davies

A G Rouse

(Resigned 9 May 2020)

Dividends

The directors do not recommend the payment of a dividend.

Future developments

There are no changes anticipated to the nature of the business in the longer term, however, trading and operational practices are expected to be different in the short-term given the effects of the Covid-19 pandemic.

Financial instruments

The company's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to raise funds and to finance the company's operations. Due to the nature of the financial instruments used by the company there is no exposure to price risk.

The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of bank accounts.

Trade debtors are managed in respect of credit and cash flow risk by the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 the profit or loss of the company for that period.

Venice Regal Sheffield Limited

Directors' Report *(continued)*

Year ended 31 March 2021

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;
- 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.

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 13 December 2021 and signed on behalf of the board by:



Mr N Burgin
Director



G J Davies
Director

Registered office:
C/O Director of Finance
Kenwood Hall Hotel
Kenwood Road
Sheffield
S7 1NQ

Venice Regal Sheffield Limited

Independent Auditor's Report to the Members of Venice Regal Sheffield Limited

Year ended 31 March 2021

Opinion

We have audited the financial statements of Venice Regal Sheffield Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, statement of financial position 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss 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 draw your attention to Note 3 in the financial statements, which indicates that as a result of the adverse impacts of Covid-19 on the Company directly, and the wider travel, hospitality and leisure industry, there is uncertainty in relation to the ability and time needed for the Company to achieve a full recovery. As stated in note 3 to the financial statements, the difficulties created by Covid-19 indicate that an uncertainty exists that may cast doubt on the Company's ability to continue as a going concern, however, the directors are of the opinion that there is no question about the Company being a going concern.

Our opinion is not modified in respect of this matter.

Venice Regal Sheffield Limited

Independent Auditor's Report to the Members of Venice Regal Sheffield Limited *(continued)*

Year ended 31 March 2021

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. 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 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 its 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, 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.

Venice Regal Sheffield Limited

Independent Auditor's Report to the Members of Venice Regal Sheffield Limited *(continued)*

Year ended 31 March 2021

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.

Venice Regal Sheffield Limited

Independent Auditor's Report to the Members of Venice Regal Sheffield Limited *(continued)*

Year ended 31 March 2021

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:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance, including the identification of related party transactions, and matters which could potentially impact on the company's continuation as a going concern;
- results of our enquiries of management and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to: - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team, including how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Corporate Governance Code and local tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with

Venice Regal Sheffield Limited

Independent Auditor's Report to the Members of Venice Regal Sheffield Limited *(continued)*

Year ended 31 March 2021

laws and regulations throughout the audit.

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 directors.
- Conclude on the appropriateness of the directors' 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.

Venice Regal Sheffield Limited

Independent Auditor's Report to the Members of Venice Regal Sheffield Limited *(continued)*

Year ended 31 March 2021

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.

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.

Andrew Throssell FCA (Senior Statutory Auditor)

For and on behalf of
Hebblethwaites
Chartered Accountants & Statutory Auditors
2 Westbrook Court
Sharrow Vale Road
Sheffield
S11 8YZ

15 December 2021

Venice Regal Sheffield Limited
Statement of Comprehensive Income
Year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	4	1,152,655	3,019,969
Cost of sales		887,031	1,913,090
Gross profit		265,624	1,106,879
Administrative expenses		1,031,508	1,643,217
Other operating income	5	421,869	255,000
Operating loss	7	(344,015)	(281,338)
Interest payable and similar expenses	9	555	1,540
Loss before taxation		(344,570)	(282,878)
Tax on loss		—	—
Loss for the financial year		(344,570)	(282,878)
Revaluation of tangible assets		493,827	—
Total comprehensive income for the year		149,257	(282,878)

All the activities of the company are from continuing operations.

The notes on pages 13 to 22 form part of these financial statements.

Venice Regal Sheffield Limited

Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	1,009,791	573,248
Current assets			
Stocks	11	11,286	18,240
Debtors	12	8,622,665	8,675,527
Cash at bank and in hand		540	240
		<u>8,634,491</u>	<u>8,694,007</u>
Creditors: amounts falling due within one year	13	<u>1,394,253</u>	<u>1,169,731</u>
Net current assets		<u>7,240,238</u>	<u>7,524,276</u>
Total assets less current liabilities		<u>8,250,029</u>	<u>8,097,524</u>
Creditors: amounts falling due after more than one year	14	<u>3,248</u>	<u>–</u>
Net assets		<u><u>8,246,781</u></u>	<u><u>8,097,524</u></u>
Capital and reserves			
Called up share capital	19	1	1
Revaluation reserve	20	493,827	–
Profit and loss account	20	<u>7,752,953</u>	<u>8,097,523</u>
Shareholders funds		<u><u>8,246,781</u></u>	<u><u>8,097,524</u></u>

These financial statements were approved by the board of directors and authorised for issue on ~~13 December 2021~~ 13 December 2021, and are signed on behalf of the board by:



Mr N Burgin
Director



G J Davies
Director

Company registration number: 06291350

The notes on pages 13 to 22 form part of these financial statements.

Venice Regal Sheffield Limited

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is C/O Director of Finance, Kenwood Hall Hotel, Kenwood Road, Sheffield, S7 1NQ.

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.

Going concern

As at the date of approving these financial statements the company is recovering well from the impact of the global pandemic on business activities during, in particular, the year ended 31 March 2021. Customer demand is now strong as the market returns to a semblance of normality and there is strong demand for function business, in particular weddings, going forward.

In order to address the financial challenges resulting from the restricted activities during this latest year, the company:

- * Secured additional funding from the company's bank, with a significant increase in overdraft facility.
- * The majority of the Company's staff were furloughed during the period affected by Covid 19 restrictions, with the Company benefitting from the Governments job retention scheme.
- * Reviewed all remaining areas of operating cost to eliminate all non-essential expenditure.
- * Benefitted from the Government's Business rates relief.
- * Reviewed capital expenditure and delayed non-essential projects.

The Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis; there is a very positive diary of bookings for the company and its venues, with increased demand for functions, in particular, concentrating deferred events with new enquiries and forward reservations. There is also an increasing expectation of residential demand and occupation rates in the foreseeable future allied to the anticipated growth in the so called staycation market. This, together with the ongoing support of its shareholders, gives the directors confidence that the going concern of the business is not in doubt at this time.

Venice Regal Sheffield Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Vine Kenwood Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- the requirements of Section 7 Statement of Cash Flows

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.

In the opinion of management, there are no areas of judgement or key sources of estimation uncertainty that have a significant effect on the financial statements.

Revenue recognition

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

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

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

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.

Venice Regal Sheffield Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

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:

Freehold property	-	No depreciation
Fixtures and fittings	-	3 to 10 years straight line

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.

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.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Venice Regal Sheffield Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

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.

4. Turnover

Turnover arises from:

	2021 £	2020 £
Sale of goods	<u>1,152,655</u>	<u>3,019,969</u>

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

Venice Regal Sheffield Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

5. Other operating income

	2021	2020
	£	£
Management charges receivable	–	255,000
Government grant income	421,869	–
	<u>421,869</u>	<u>255,000</u>

6. Government grants

Income from Government grants are in respect of the Small Business Grant Fund and the Coronavirus Job Retention Scheme.

7. Operating profit

Operating profit or loss is stated after charging/crediting:

	2021	2020
	£	£
Depreciation of tangible assets	145,750	145,751
Impairment of trade debtors	<u>(13,657)</u>	<u>28,164</u>

8. Staff costs

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

	2021	2020
	No.	No.
Management staff	10	10
Administration and support	43	72
	<u>53</u>	<u>82</u>

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

	2021	2020
	£	£
Wages and salaries	774,898	1,343,127
Social security costs	35,733	61,346
Other pension costs	8,859	11,252
	<u>819,490</u>	<u>1,415,725</u>

9. Interest payable and similar expenses

	2021	2020
	£	£
Interest on banks loans and overdrafts	–	1,540
Interest on obligations under finance leases and hire purchase contracts	555	–
	<u>555</u>	<u>1,540</u>

Venice Regal Sheffield Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

10. Tangible assets

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2020	1,547,984	3,073,944	4,621,928
Additions	83,791	4,675	88,466
Revaluations	493,827	–	493,827
At 31 March 2021	<u>2,125,602</u>	<u>3,078,619</u>	<u>5,204,221</u>
Depreciation			
At 1 April 2020	1,447,246	2,601,434	4,048,680
Charge for the year	–	145,750	145,750
At 31 March 2021	<u>1,447,246</u>	<u>2,747,184</u>	<u>4,194,430</u>
Carrying amount			
At 31 March 2021	<u>678,356</u>	<u>331,435</u>	<u>1,009,791</u>
At 31 March 2020	<u>100,738</u>	<u>472,510</u>	<u>573,248</u>

Depreciation has not been provided on freehold property as the value in use of the property and the anticipated long expected useful life, coupled with the high expected residual value, mean that any depreciation charge would not be material.

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Fixtures and fittings £
At 31 March 2021	<u>5,809</u>
At 31 March 2020	<u>–</u>

11. Stocks

	2021 £	2020 £
Raw materials and consumables	<u>11,286</u>	<u>18,240</u>

Venice Regal Sheffield Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

12. Debtors

	2021	2020
	£	£
Trade debtors	474	16,864
Amounts owed by group undertakings	8,332,252	8,360,934
Prepayments and accrued income	50,409	42,729
Other debtors	239,530	255,000
	<u>8,622,665</u>	<u>8,675,527</u>

13. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	32,287	62,559
Trade creditors	113,117	259,330
Accruals and deferred income	58,950	64,949
Social security and other taxes	6,607	38,643
Obligations under finance leases and hire purchase contracts	2,998	—
Other creditors	1,180,294	744,250
	<u>1,394,253</u>	<u>1,169,731</u>

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

Venice Regal Sheffield Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

13. Creditors: amounts falling due within one year *(continued)*

The bank overdraft is secured upon all assets of the company and also by a debenture from each of (i) Vine Hotels Limited and (ii) Vine Kenwood Limited over all of their assets and undertakings.

There is also a cross guarantee from the following companies in respect of the obligations of Venice Regal Sheffield Limited:

Vine Hotels Limited

Sheffield Park Hotel Property Limited

Sheffield Park Hotel Limited

Dolphin Hotel Property Limited

Dolphin Hotel (Hampshire) Limited

Vine Kenwood Limited

Kenwood Hotel Property Limited

Cresta Court Hotel Holdings Limited

Cresta Court Hotel Property Limited

Harrop Hotels Limited

In addition, there is an intercreditor deed between Santander Bank, each Obligor above, Greg Dyke, Susan Howes and Garin Davies.

14. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Obligations under finance leases and hire purchase contracts	<u>3,248</u>	<u>—</u>

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

15. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2021	2020
	£	£
Not later than 1 year	2,998	—
Later than 1 year and not later than 5 years	<u>3,248</u>	<u>—</u>
	<u>6,246</u>	<u>—</u>

Venice Regal Sheffield Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

16. Financial risk management objectives and policies

The exposure of the company to price risk, credit risk, liquidity risk and cash flow risk is not considered material for the assessment of the assets, liabilities, financial position and income or expenditure of the company.

17. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £8,859 (2020: £11,252).

18. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021 £	2020 £
Recognised in other operating income:		
Government grants recognised directly in income	421,869	—

19. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	1	1	1	1

20. Reserves

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

21. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than 1 year	275,000	275,000
Later than 1 year and not later than 5 years	365,750	640,750
	640,750	915,750

The operating lease relates to a property rented from Kenwood Hotel Property Limited, the immediate parent company of Venice Regal Sheffield Limited.

Venice Regal Sheffield Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

22. Directors' advances, credits and guarantees

One of the company's directors, Mr G Dyke, has advanced a loan of £1,000,000 to Vine Kenwood Limited, the ultimate parent company.

The loan has no fixed repayment terms and attracts interest of 10% per annum.

There is a deed of guarantee and indemnity in respect of the loan made between the above director of Vine Kenwood Limited and the following members of the Vine Kenwood group:

Kenwood Hotel Property Limited
Venice Regal Sheffield Limited

The loan is secured by a fixed and floating charge over all assets of the group companies.

Interest totalling £100,000 (2020 £108,333) in respect of this loan has been charged to Vine Kenwood Limited during the year.

23. Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102, not to disclose related party transactions with fellow 100% group companies.

24. Controlling party

The entire share capital of the company was acquired in July 2016 by Kenwood Hotel Property Limited, whose parent company is Vine Kenwood Limited.

The three companies share the same the same registered address and Vine Kenwood Limited will be preparing consolidated group accounts covering all three companies.