COMPANY REGISTRATION NUMBER: 09606831

Vine Hotels Limited

Financial Statements

31 March 2023

Vine Hotels Limited

Financial Statements

Year ended 31 March 2023

Contents

Vine Hotels Limited

Officers and Professional Advisers

The board of directors	Mr G Dyke Mr N Burgin Ms S Howes Mr G Davies
Registered office	C/O Director of Finance Mosborough Hall Hotel High Street Mosborough Sheffield S20 5EA
Auditor	Hebblethwaites Chartered Accountants & Statutory Auditors 2 Westbrook Court Sharrow Vale Road Sheffield S11 8YZ

Vine Hotels Limited

Strategic Report

Year ended 31 March 2023

Following on from the challenges of the previous two years as a result of the global pandemic impact, the prior year, ended 31 March 2022, reflected a significant recovery in trading levels, if against a background of increasing costs and higher levels of consequential debt across the group. This latest year, ended 31 March 2023. continues that trend of recovery with group revenue up by £1.79 million or 28.4% to a total of £8.1 million. As a result of the extended periods of lockdown in 2020 in particular, with the well documented effect on the hospitality industry, the company suffered financially but is now recovering very positively. Subsequent global events have created further challenges for the group, with particular reference to financial pressures in terms of the key cost categories of employment, utilities, interest and direct sector purchases. Both of the group venues suffered from the consequential effects of the pandemic, but with a return to full activities as the restrictions were relaxed. In addition, the group benefitted from enhanced revenue sources from an increasing level of management contracts for third party operators. The key performance indicators for the year were as follows: - Turnover increased by £1.8 million from £6.3 million to £8.1 million, being a significant 28.4% year on year increase. - Gross profit increased by £1.25 million or 35% in the year, with the gross profit margin increasing from 56.5% to 59.4%. - The group recorded an operating profit for the year of £893K as against the prior year equivalent of £730K. - However, as a result of increased interest rates, the operating profit has been converted to a net loss for the year of £59K, which is not dis-similar to the prior year loss of £64K. The group has been able to continue its' operations despite these significant global events by means of the various financial support measures put in place by the UK Government and through enhanced fiscal control and management. Despite the inevitable and global negative impact of the pandemic and other global events, the directors are now of the view that there is a significant potential for very positive trading in the re-emerging markets. The company has a very strong market presence in the specialist functions market, particularly in relation to weddings. In addition to the function market which is a significant sector for the group, 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 consider foreign travel, and the underlying desire for some form of vacation continues create significant demand, along with an expanding short stay market. 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 group's premises in an environment where infections can easily be transmitted. The group takes extensive precautions to minimise such risks, as far as is practical. The group continues to be reliant on funding from its bankers and from directors. This funding is under constant review, with the group meeting its debt servicing obligations and thus supporting the view that the funding will remain in place for the foreseeable future.

This report was approved by the board of directors on 27 March 2024 and signed on behalf of the board by:

Mr G Davies

Director

Registered office:

C/O Director of Finance

Mosborough Hall Hotel

High Street

Mosborough

Sheffield

S20 5EA

Vine Hotels Limited

Directors' Report

Year ended 31 March 2023

The directors present their report and the financial statements of the group for the year ended 31 March 2023 .

Directors

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

Mr G Dyke

Mr N Burgin

Ms S Howes

Mr G Davies

Dividends

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

Future developments

The group has no current plans to add to its two hotels.

Financial instruments

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

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

In respect of bank facilities the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of day to day bank facilities and medium term bank loans.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and 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 group and the company and the profit or loss of the group for that period. In preparing these financial statements, the directors are required to: - select suitable accounting policies and then apply them consistently; - make judgments and accounting estimates that are reasonable and prudent; - state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; - 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 group and 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 group and the company's auditor is aware of that information. The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 27 March 2024 and signed on behalf of the board by:

Mr G Davies

Director

Registered office:

C/O Director of Finance

Mosborough Hall Hotel

High Street

Mosborough

Sheffield

S20 5EA

Opinion

We have audited the financial statements of Vine Hotels Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated 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). In our opinion the financial statements: - give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's 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 group 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.

Material uncertainty related to going concern

We draw your attention to Note 3 in the financial statements, which indicates that a material uncertainty exists, that may cast an element of doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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 group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or - the parent 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 group's and the parent 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 group or the parent 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: 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 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 group's 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 group's or the parent 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 group or the parent 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. - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion. 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

(Senior Statutory Auditor)

For and on behalf of

Hebblethwaites

Chartered Accountants & Statutory Auditors

2 Westbrook Court

Sharrow Vale Road

Sheffield

S11 8YZ

27 March 2024

Vine Hotels Limited

Consolidated Statement of Comprehensive Income

Year ended 31 March 2023

	Note	2023	2022
		£	£
Turnover	4	8,101,410	6,311,080
Cost of sales		(3,286,092)	(2,744,803)
Gross profit		4,815,318	3,566,277
Administrative expenses		(3,922,176)	(3,032,738)
Other operating income	5	–	196,190
Operating profit	6	893,142	729,729
Other interest receivable and similar income	10	414	16
Interest payable and similar expenses	11	(952,541)	(793,982)
Loss before taxation		(58,985)	(64,237)
Tax on loss		–	–
Loss for the financial year		(58,985)	(64,237)
Revaluation of tangible assets		–	(1,667,044)
Total comprehensive income for the year		(58,985)	(1,731,281)

All the activities of the group are from continuing operations.

Vine Hotels Limited

Consolidated Statement of Financial Position

31 March 2023

	Note		2023	2022
			£	£
Fixed assets				
Intangible assets	13		741,534	1,039,108
Tangible assets	14		10,583,223	10,372,027
Investments:	16			
Investments in associates			280	280
			11,325,037	11,411,415
Current assets				
Stocks	17	92,493		89,253
Debtors: due within one year	18	2,913,515		2,427,727
Debtors: due after more than one year	18	4,444,838		4,471,452
Cash at bank and in hand		136,852		103,880
		7,587,698		7,092,312
Creditors: amounts falling due within one year	20	10,565,787		10,106,254
Net current liabilities			2,978,089	3,013,942
Total assets less current liabilities			8,346,948	8,397,473
Creditors: amounts falling due after more than one year	21		8,798,316	8,789,856
Net liabilities			(451,368)	(392,383)
Capital and reserves				
Called up share capital	26		432,353	432,353
Non-distributable revaluation reserve	27		2,123,505	2,123,505
Profit and loss account	27		(3,007,226)	(2,948,241)
Shareholders deficit			(451,368)	(392,383)

These financial statements were approved by the board of directors and authorised for issue on 27 March 2024 , and are signed on behalf of the board by:

Mr G Davies

Director

Company registration number: 09606831

Vine Hotels Limited

Company Statement of Financial Position

31 March 2023

	Note		2023	2022
			£	£
Fixed assets				
Tangible assets	**14**		**50,096**	4,058
Investments	**16**		**1,459,937**	1,459,937
			1,510,033	1,463,995
Current assets				
Debtors: due within one year	**18**	**5,012,634**		4,323,633
Cash at bank and in hand		**27,277**		14,541
		5,039,911		4,338,174
Creditors: amounts falling due within one year	**20**	**3,151,463**		2,837,300
Net current assets			**1,888,448**	1,500,874
Total assets less current liabilities			**3,398,481**	2,964,869
Creditors: amounts falling due after more than one year	**21**		**2,526,943**	2,494,876
Net assets			**871,538**	469,993
Capital and reserves				
Called up share capital	**26**		**432,353**	432,353
Profit and loss account	**27**		**439,185**	37,640
Shareholders funds			**871,538**	469,993

The profit for the financial year of the parent company was £ 401,545 (2022: £ 115,168).

These financial statements were approved by the board of directors and authorised for issue on 27 March 2024 , and are signed on behalf of the board by:

Mr G Davies

Director

Company registration number: 09606831

Vine Hotels Limited

Consolidated Statement of Changes in Equity

Year ended 31 March 2023

	Note	Called up share capital £	Non-distributable revaluation reserve £	Profit and loss account £	**Total £**
At 1 April 2021		432,353	3,790,549	(2,884,004)	1,338,898
Loss for the year				(64,237)	(64,237)
Other comprehensive income for the year:					
Revaluation of tangible assets	**14**	–	(1,667,044)	–	(1,667,044)
Total comprehensive income for the year		–	(1,667,044)	(64,237)	(1,731,281)
At 31 March 2022		432,353	2,123,505	(2,948,241)	**(392,383)**
Loss for the year				(58,985)	**(58,985)**
Total comprehensive income for the year		–	–	(58,985)	**(58,985)**
At 31 March 2023		432,353	2,123,505	(3,007,226)	**(451,368)**

Vine Hotels Limited

Company Statement of Changes in Equity

Year ended 31 March 2023

	Called up share capital	Profit and loss account	**Total**
	£	£	**£**
At 1 April 2021	432,353	(77,528)	354,825
Profit for the year		115,168	115,168
Total comprehensive income for the year	–	115,168	115,168
At 31 March 2022	432,353	37,640	**469,993**
Profit for the year		401,545	**401,545**
Total comprehensive income for the year	–	401,545	**401,545**
At 31 March 2023	432,353	439,185	**871,538**

Vine Hotels Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2023

	Note	2023	2022
		£	£
Cash flows from operating activities			
Loss for the financial year		**(58,985)**	(64,237)
Adjustments for:			
Depreciation of tangible assets		**157,613**	101,886
Amortisation of intangible assets		**297,574**	297,584
Government grant income		**–**	(196,190)
Other interest receivable and similar income		**(414)**	(16)
Interest payable and similar expenses		**952,541**	793,982
Accrued expenses		**202,614**	509,588
Interest accrued to directors		**(150,000)**	(150,000)
Changes in:			
Stocks		**(3,240)**	7,055
Trade and other debtors		**(459,174)**	(809,381)
Trade and other creditors		**913,755**	650,928
Cash generated from operations		**1,852,284**	1,141,199
Interest paid		**(714,484)**	(261,130)
Interest received		**414**	16
Net cash from operating activities		**1,138,214**	880,085
Cash flows from investing activities			
Purchase of tangible assets		**(258,409)**	(56,276)
Acquisition of interests in associates and joint ventures		**–**	(280)
Net cash used in investing activities		**(258,409)**	(56,556)
Cash flows from financing activities			
Repayment of bank loans		**(310,412)**	(286,119)
Government grant income		**–**	179,186
Repayment of finance lease liabilities		**(252,199)**	(252,200)
Proceeds / (repayments) of directors loans		**–**	(65,038)
Repayment of hire purchase liabilities		**(28,526)**	(6,527)
Net cash used in financing activities		**(591,137)**	(430,698)
Net increase in cash and cash equivalents		**288,668**	392,831
Cash and cash equivalents at beginning of year		**(1,166,698)**	(1,559,529)
Cash and cash equivalents at end of year	19	**(878,030)**	(1,166,698)

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, Mosborough Hall Hotel, High Street, Mosborough, Sheffield, S20 5EA.

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

Management have determined that a material uncertainty exists that may cast doubt on the ability of the group to continue as a going concern. Given the then market conditions, a valuation of the group company property was undertaken in March 2022 which resulted in a net reduction in the value of the long leasehold property assets in the prior year financial statements. The nature of the group assets is such that the valuation is very much structured around the earning capacity of those assets which itself has been significantly impacted by the effect of global events and macro economic issues which have significantly affected the financial results recorded during this difficult period. As a result of this reduction in value, there has been a technical breach of a 'loan to value' financial covenant applicable to the long term debt secured against the subject properties. Management are currently in the process of negotiating variations to the terms of the loan, but as at the date of approval of these financial statements, a definitive conclusion has not yet been determined, albeit the loan funder remains very supportive. As a result of the technical breach in loan covenant, management have determined that the long term portion of the debt be presented as a current liability within the group accounts and, although the entity is still considered to be a going concern, a material uncertainty inevitably exists.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

(a) Disclosures in respect of each class of share capital have not been presented.

(b) No cash flow statement has been presented for the company.

(c) Disclosures in respect of financial instruments have not been presented.

(d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of Vine Hotels Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

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 and represents amounts receivable for the supply of accomodation, food, drinks and related goods at the company's hotel site, stated net of discounts and of Value Added Tax. Turnover also includes a small amount of income for management charges and bank interest received. Revenue from the sale of the above items is recognised when the significant risks and rewards of ownership of the goods 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.

Deferred tax

Deferred tax is not provided on property sold subject to a sale and leaseback arrangement. The long length of the lease connected to the property and the associated discount effect would mean any deferred tax charge would be trivial.

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	-	5 or 10 years on business goodwill and 20 years franchise fee

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:

Long leasehold property	-	No depreciation
Plant and machinery	-	5 years straight line
Fixtures and fittings	-	4 or 5 years straight line
Motor vehicles	-	4 years straight line
Equipment	-	3 or 5 years straightline

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

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.

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. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. 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.

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 the provision of hotel accommodation, function income, food and liquor sales and all ancillary hotel services.

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

5. Other operating income

	2023	2022
	£	£
Government grant income	–	196,190

Income from Government grants in the prior year is in respect of the Small Business Grant Fund, the Coronavirus Job Retention Scheme and the Bounce Back Loan Scheme.

6. Operating profit

Operating profit or loss is stated after charging:

	2023	2022
	£	£
Amortisation of intangible assets	**297,574**	297,584
Depreciation of tangible assets	**157,613**	101,886

7. Auditor's remuneration

	2023	2022
	£	£
Fees payable for the audit of the financial statements	**25,500**	25,400

8. Staff costs

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

	2023	2022
	No.	No.
Management staff	**62**	29
Administration and support	**98**	75
	160	104

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

	2023	2022
	£	£
Wages and salaries	**2,699,025**	2,227,358
Social security costs	**207,709**	162,520
Other pension costs	**77,337**	29,360
	2,984,071	2,419,238

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2023	2022
	£	£
Remuneration	**324,767**	350,447

Remuneration of the highest paid director in respect of qualifying services:

	2023	2022
	£	£
Aggregate remuneration	**453,134**	247,567

10. Other interest receivable and similar income

	2023	2022
	£	£
Interest on cash and cash equivalents	**414**	16

11. Interest payable and similar expenses

	2023	2022
	£	£
Interest on debenture loans	**50,000**	47,945
Interest on banks loans and overdrafts	**377,455**	240,915
Interest on obligations under finance leases and hire purchase contracts	**275,086**	255,122
Dividends paid on shares classed as debt	**100,000**	100,000
Other interest payable and similar charges	**150,000**	150,000
	952,541	793,982

12. Dividends

Dividends on shares classed as debt

	2023	2022
	£	£
Dividends proposed before the year end and recognised as a liability	**781,022**	681,022

13. Intangible assets

Group	Goodwill
	£
Cost	
At 1 April 2022 and 31 March 2023	**3,042,412**
Amortisation	
At 1 April 2022	**2,003,304**
Charge for the year	**297,574**
At 31 March 2023	**2,300,878**
Carrying amount	
At 31 March 2023	**741,534**
At 31 March 2022	1,039,108

The company has no intangible assets.

14. Tangible assets

Group	Land and buildings	Plant and machinery	Fixtures and fittings	Motor vehicles	Equipment	Total
	£	£	£	£	£	**£**
Cost						
At 1 Apr 2022	10,164,454	934,373	1,398,776	9,200	288,215	**12,795,018**
Additions	–	189,565	63,834	55,400	60,011	**368,810**
Disposals	(14,454)	(713,764)	(1,096,775)	(9,200)	(217,219)	**(2,051,412)**
At 31 Mar 2023	10,150,000	410,174	365,835	55,400	131,007	**11,112,416**
Depreciation						
At 1 Apr 2022	14,454	875,338	1,280,813	9,200	243,186	**2,422,991**
Charge for the year	–	65,842	55,325	11,080	25,366	**157,613**
Disposals	(14,454)	(713,764)	(1,096,774)	(9,200)	(217,219)	**(2,051,411)**
At 31 Mar 2023	–	227,416	239,364	11,080	51,333	**529,193**
Carrying amount						
At 31 Mar 2023	10,150,000	182,758	126,471	44,320	79,674	**10,583,223**
At 31 Mar 2022	10,150,000	59,035	117,963	–	45,029	10,372,027

Company	Fixtures and fittings	Motor vehicles	Total
	£	£	**£**
Cost			
At 1 April 2022	30,354	–	**30,354**
Additions	3,860	55,400	**59,260**
Disposals	(24,388)	–	**(24,388)**
At 31 March 2023	9,826	55,400	**65,226**
Depreciation			
At 1 April 2022	26,296	–	**26,296**
Charge for the year	2,142	11,080	**13,222**

Disposals	(24,388)	–	**(24,388)**
At 31 March 2023	4,050	11,080	**15,130**
Carrying amount			
At 31 March 2023	5,776	44,320	**50,096**
At 31 March 2022	4,058	–	4,058

The long leasehold property comprises two hotel properties, being the land, buildings, and integral fixtures and fittings contained therein. Both properties were freehold until March 2016 when the group sold the freeholds and entered sale and leaseback arrangements. The directors obtained formal valuations, in the prior year, of the long leasehold properties with the sale and leaseback arrangements in place and have used these as the basis for arriving at the fair value now being carried in the financial statements. The directors have re-visited this valuation in relation to this latest year and have re-affirmed that the total, having been subject to a net reduction and impairment in the prior year, remains valid, if potentially prudent. Depreciation has not been provided as the value in use of the properties and the anticipated long expected useful life, coupled with the 175 year leases and high expected residual value, mean that any depreciation charge would not be material. Deferred tax is not provided on properties sold subject to a sale and leaseback arrangements. The long length of the leases connected to the properties and the associated discount effect would mean any deferred tax charge would be trivial.

Tangible assets held at valuation

In respect of tangible assets held at valuation, aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

Group		**Long leasehold property**
		£
At 31 March 2023		
Aggregate cost		**8,026,496**
Aggregate depreciation		**–**
Carrying value		**8,026,496**
At 31 March 2022		
Aggregate cost	8,026,496	
Aggregate depreciation	–	
Carrying value	8,026,496	

The company has no tangible assets held at valuation.

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:

Group	Long leasehold property	Motor vehicles	Equipment	**Total**
	£	£	£	**£**
At 31 March 2023	10,150,000	40,867	59,738	**10,250,605**
At 31 March 2022	11,817,045	–	–	11,817,045

Company	Motor vehicles
	£
At 31 March 2023	**40,867**
At 31 March 2022	–

15. Investments

	2023	2022
	£	£
Investments in group companies	**1,459,657**	1,459,657

The company owns, directly or indirectly, the whole of the ordinary share capital of the following companies:
Sheffield Park Hotel Property Limited
Sheffield Park Hotel Limited
Dolphin Hotel Property Limited
Dolphin Hotel (Hampshire) Limited
All subsidaries are consolidated in the group accounts, have the same registered address as Vine Hotels Limited and are registered in England and Wales.

16. Investments

Group	Interests in associates
	£
Share of net assets/cost	
At 1 April 2022 and 31 March 2023	**280**
Impairment	
At 1 April 2022 and 31 March 2023	–
Carrying amount	
At 1 April 2022 and 31 March 2023	**280**
At 31 March 2022	280

Company	Shares in group undertakings	Shares in participating interests	Total
	£	£	£
Cost			
At 1 April 2022 and 31 March 2023	1,459,657	280	**1,459,937**
Impairment			
At 1 April 2022 and 31 March 2023	–	–	–
Carrying amount			
At 1 April 2022 and 31 March 2023	1,459,657	280	**1,459,937**
At 31 March 2022	1,459,657	280	1,459,937

Subsidiaries, associates and other investments

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
Sheffield Park Hotel Property Limited	Ordinary	100
Dolphin Hotel Property Limited	Ordinary	100
Sheffield Park Hotel Limited	Ordinary	100
Dolphin Hotel (Hampshire) Limited	Ordinary	100

The company owns, directly or indirectly, the whole of the ordinary share capital of the following companies: Sheffield Park Hotel Property Limited Sheffield Park Hotel Limited Dolphin Hotel Property Limited Dolphin Hotel (Hampshire) Limited All subsidiaries are consolidated in the group accounts, have the same registered address as the company and are registered in England and Wales.

17. Stocks

	Group		**Company**	
	2023	2022	**2023**	2022
	£	£	**£**	£
Raw materials and consumables	**92,493**	89,253	**–**	–

18. Debtors

Debtors falling due within one year are as follows:

	Group		**Company**	
	2023	2022	**2023**	2022
	£	£	**£**	£
Trade debtors	**1,212,890**	685,449	**2,215,812**	1,416,606
Amounts owed by group undertakings	**–**	–	**1,800,896**	1,789,040
Prepayments and accrued income	**211,363**	382,752	**9,834**	19,247
Other debtors	**1,489,262**	1,359,526	**986,092**	1,098,740
	2,913,515	2,427,727	**5,012,634**	4,323,633

Debtors falling due after one year are as follows:

	Group		**Company**	
	2023	2022	**2023**	2022
	£	£	**£**	£
Other debtors	**4,444,838**	4,471,452	**–**	–

Amounts owed to the company by group undertakings are repayable on demand and are interest free. Other debtors includes a figure of £4,471,452 (2022: £4,498,066) relating to the loss on disposal of freehold properties in March 2016. The properties in question had a recorded cost of £9,059,697 and were disposed of for consideration of £4,737,000 as part of a sale and leaseback arrangements, however, £331,000 of this sum was returned by the group during 2019. Sale and leaseback accounting treatment requires the loss on disposal to be taken to the balance sheet as a debtor and this will be amortised at a rate of £26,614 per annum for the remaining 171 years of the sale and leaseback agreement. The figure of £4,444,838 (2022: £4,471,452) shown as debtors due after more than one year relates entirely to this transaction.

19. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2023	2022
	£	£
Cash at bank and in hand	**136,852**	103,880
Bank overdrafts	**(1,014,882)**	(1,270,578)
	(878,030)	(1,166,698)

20. Creditors: amounts falling due within one year

	Group		**Company**	
	2023	2022	**2023**	2022
	£	£	**£**	£
Bank loans and overdrafts	**6,145,849**	6,685,457	**–**	–
Trade creditors	**467,017**	391,417	**20,746**	52,055
Amounts owed to group undertakings	**–**	–	**895,703**	890,209
Accruals and deferred income	**827,840**	910,290	**498,944**	445,888
Social security and other taxes	**194,715**	71,255	**30,594**	26,474
Obligations under finance leases and hire purchase contracts	**57,754**	39,918	**8,800**	–
Dividends payable	**781,022**	681,022	**781,022**	681,022
Other creditors	**2,091,590**	1,326,895	**915,654**	741,652
	10,565,787	10,106,254	**3,151,463**	2,837,300

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

Security in respect of the bank borrowing is provided by a charge over all of the group's assets.

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

	Group		**Company**	
	2023	2022	**2023**	2022
	£	£	**£**	£
Director loan accounts	**1,494,876**	1,494,876	**1,494,876**	1,494,876
Bank loans and overdrafts	**474,792**	501,292	**–**	–
Shares classed as financial liabilities	**1,000,000**	1,000,000	**1,000,000**	1,000,000
Obligations under finance leases and hire purchase contracts	**5,828,648**	5,793,688	**32,067**	–
	8,798,316	8,789,856	**2,526,943**	2,494,876

The group has two bank loans, totalling £5.6m, with fixed capital repayments payable quarterly from 30 June 2021. Interest is payable at 3.5% over base, per annum. Given the position as outlined at note 3 to the accounts with reference to the technical breaches of the funding covenant, the entire loan balance, whilst scheduled for repayment over a longer term, has been classified as being repayable within twelve months of the accounting reference date.

Security in respect of the bank borrowing is provided by a charge over all of the group's assets.

The group has also borrowed £530,000 under the Government's Coronavirus Business Interruption Loan Scheme.

These loans are repayable within 6 years from March 2021, with no repayments due for the first 12 months.

Interest of 3.5% over base per annum is payable monthly, in arrears, on these loans; the Government covers the first 12 months interest charge.

The borrower remains responsible for repaying the whole of the loans at all times.

The amount repayable in over five years in respect of these loans is £395,291 (2022: £421,791).

During 2016 the company issued 1,000,000 10% £1 preference shares. The preference shares were redeemable on 30 June 2020 at nominal value, however, given the prevailing Covid-19 position, redemption is currently in abeyance. The preference shares rank prior to ordinary shares on winding up.

Other creditors relates to monies received by the company as part of the freehold properties sale and leaseback agreements. The amount advanced to the company in March 2016 in respect of this was £4,737,000 and two leases for 175 years were entered into for an initial rent of £232,000 per annum; this sum will increase by RPI each year.

A further sum of £1,630,000 was received under this arrangement during the year to 31 March 2018.

Sale and leaseback accounting treatment requires the sums received for the sale and leaseback of the property to be taken to the balance sheet as a creditor and payments of the lease element to be apportioned between capital repayments and interest over the term of the lease.

The element repayable over five years from the balance sheet date is £5,620,605 (2022: £5,655,092).

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

22. Finance leases and hire purchase contracts

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

	Group		**Company**	
	2023	2022	**2023**	2022
	£	£	**£**	£
Not later than 1 year	**57,754**	39,918	**–**	–
Later than 1 year and not later than 5 years	**175,976**	138,596	**–**	–
Later than 5 years	**5,652,672**	5,655,092	**–**	–
	5,886,402	5,833,606	**–**	–

23. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 77,337 (2022: £ 29,360).

24. Government grants

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

	Group		Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Recognised in other operating income:				
Government grants recognised directly in income	**–**	196,190	**–**	11,119

25. Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

26. Called up share capital

Issued, called up and fully paid

	2023		2022	
	No.	**£**	No.	£
Amounts presented in equity:				
Ordinary shares of £ 1 each	**300,000**	**300,000**	300,000	300,000
Ordinary A Shares shares of £ 1 each	**132,353**	**132,353**	132,353	132,353
	432,353	**432,353**	432,353	432,353
Amounts presented in liabilities:				
Redeemable preference shares of £ 1 each	**1,000,000**	**1,000,000**	1,000,000	1,000,000

The £1 preference shares are redeemable at nominal value increased at a simple 10% per annum. The preference shares rank prior to ordinary shares on winding up. Redemption of the preference shares is currently in abeyance.

27. Reserves

Non-distributable revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets, less provision for associated deferred taxation. Profit and loss account - This reserve records retained earnings and accumulated losses.

28. Analysis of changes in net debt

	At 1 Apr 2022	Cash flows	**At 31 Mar 2023**
	£	£	**£**
Cash at bank and in hand	103,880	32,972	**136,852**
Bank overdrafts	(1,270,578)	255,696	**(1,014,882)**
Debt due within one year	(5,454,797)	266,076	**(5,188,721)**
Debt due after one year	(7,789,856)	(8,460)	**(7,798,316)**
	(14,411,351)	546,284	**(13,865,067)**

29. Other financial commitments

There is a cross guarantee with the following companies in respect of the obligations of 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 Venice Regal Sheffield Limited Cresta Court Hotel Holdings Limited Cresta Court Hotel Property Limited Harrop Hotels Limited The bank borrowings of the above are 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. In addition, there is an inter-creditor deed between Santander Bank, each obligor above, Greg Dyke, Susan Howes and Garin Davies.

30. Directors' advances, credits and guarantees

A deed of guarantee and indemnity is in place as between two of the directors of the holding company and the group members of the Vine Hotel Ltd group of companies. The guarantee relates to loan balances of £1,494,876 (2022: £1,494,876) advanced by Mr G Dyke and Mrs S Howes to the group. The loans attract interest of 10% per annum and were advanced to Vine Hotels Limited. The loans are secured by a fixed and floating charge over all assets of the group companies. Interest of £150,000 (2022: £150,000) was charged, during the year, to the group, in respect of these loans.

31. Related party transactions

Company

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.

32. Controlling party

Vine Hotels Limited is a private limited company incorporated in England and Wales and is ultimately controlled by Mrs S Howes. The registered office of Vine Hotels Limited and all its group companies is: C/O Director of Finance, Kenwood Hall Hotel, Kenwood Road, Sheffield, S7 1NQ.