Co's House

COMPANY REGISTRATION NUMBER: 10256898

Vine Kenwood Limited

Financial Statements

31 March 2018

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

Vine Kenwood Limited

Financial Statements

Year ended 31 March 2018

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Vine Kenwood Limited

Officers and Professional Advisers

The board of directors	Mr A R Rouse Mr G Dyke Ms S Howes Mr G Davies
Registered office	C/O Director of Finance Kenwood Hall Hotel Kenwood Road Sheffield S7 1NQ
Auditor	Hebblethwaites Chartered Accountants & Statutory Auditors 2 Westbrook Court Sharrow Vale Road Sheffield S11 8YZ

Vine Kenwood Limited

Strategic Report

Year ended 31 March 2018

Kenwood Hotel Holdings Ltd was formed in June 2016 to facilitate the acquisition of the Kenwood Hall Hotel in Sheffield.

Subsequent to this change in ownership, the group has continued to operate under the control of the pre-existing, and successful, management team, continuing the growth, development, and positive trading pattern established in recent years.

Having undertaken significant refurbishment works, and a fundamental restructuring in 2016/2017, the benefits are now being felt as the group seeks to develop and exploit the strong trading platform and physical facilities of the hotel, this with the benefit of an increasing market share.

The directors believe that the group will enjoy improved profits in the ensuing years, with ongoing projects in place to develop the established trading base and structure.

As the economic climate improves, the group is well placed to exploit the opportunities which are expected to become available in the market place.

This report was approved by the board of directors on 20 September 2018 and signed on behalf of the board by:

Mr G Davies
Director

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

The directors present their report and the financial statements of the group for the year ended 31 March 2018.

Directors

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

Mr A R Rouse
Mr G Dyke
Ms S Howes
Mr G Davies

Dividends

The directors do not recommend the payment of a dividend.

Future developments

Having acquired the Kenwood Hall Hotel, Sheffield, by means of the purchase of Venice Regal Sheffield Ltd, in July 2016 the group now intends to continue and expand upon the strong established reputation and financial success which the hotel has achieved under its previous ownership.

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;
- 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.

This report was approved by the board of directors on 20 September 2018 and signed on behalf of the board by:

Mr G Davies
Director

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

Opinion

We have audited the financial statements of Vine Kenwood Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 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).

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Conclusions relating to going concern

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

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

Other information

The 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.

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.

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

21 September 2018

Vine Kenwood Limited

Consolidated Statement of Comprehensive Income

Year ended 31 March 2018

	Note	Year to 31 Mar 18 £	Period from 11 Jul 16 to 31 Mar 17 £
Turnover	4	3,602,210	2,078,961
Cost of sales		(2,003,401)	(1,234,887)
Gross profit		1,598,809	844,074
Administrative expenses		(1,495,287)	(1,174,300)
Other operating income	5	180,000	85,000
Operating profit/(loss)	6	283,522	(245,226)
Other interest receivable and similar income	9	95	26
Interest payable and similar expenses	10	(155,535)	(108,166)
Profit/(loss) before taxation		128,082	(353,366)
Tax on profit/(loss)		–	–
Profit/(loss) for the financial year		128,082	(353,366)
Revaluation of tangible assets		–	4,800,000
Total comprehensive income for the year		128,082	4,446,634

All the activities of the group are from continuing operations.

The notes on pages 15 to 27 form part of these financial statements.

Vine Kenwood Limited

Consolidated Statement of Financial Position

31 March 2018

	Note	**2018** £	2017 £
Fixed assets			
Intangible assets	**11**	4,905,199	5,495,699
Tangible assets	**12**	8,344,649	8,248,353
		13,249,848	13,744,052
Current assets			
Stocks	**14**	37,567	28,952
Debtors	**15**	377,969	264,258
Cash at bank and in hand		197,734	61,727
		613,270	354,937
Creditors: amounts falling due within one year	**16**	780,003	1,969,639
Net current liabilities		166,733	1,614,702
Total assets less current liabilities		13,083,115	12,129,350
Creditors: amounts falling due after more than one year	**17**	8,508,299	7,682,616
Net assets		4,574,816	4,446,734
Capital and reserves			
Called up share capital	**21**	100	100
Revaluation reserve	**22**	4,800,000	4,800,000
Profit and loss account	**22**	(225,284)	(353,366)
Shareholders funds		4,574,816	4,446,734

These financial statements were approved by the board of directors and authorised for issue on 20 September 2018 and are signed on behalf of the board by:

Mr G Davies
Director

Company registration number: 10256898

The notes on pages 15 to 27 form part of these financial statements.

Vine Kenwood Limited

Company Statement of Financial Position

31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	13	1	1
Current assets			
Debtors	15	999,999	999,999
Cash at bank and in hand		100	100
		1,000,099	1,000,099
Creditors: amounts falling due within one year	16	–	1,000,000
Net current assets		1,000,099	99
Total assets less current liabilities		1,000,100	100
Creditors: amounts falling due after more than one year	17	1,000,000	–
Net assets		100	100
Capital and reserves			
Called up share capital	21	100	100
Shareholders funds		100	100

The profit for the financial year of the parent company was £Nil (2017: £Nil).

These financial statements were approved by the board of directors and authorised for issue on 20 September 2018 and are signed on behalf of the board by:

Mr G Davies
Director

Company registration number: 10256898

The notes on pages 15 to 27 form part of these financial statements.

Vine Kenwood Limited

Consolidated Statement of Changes in Equity

Year ended 31 March 2018

	Note	Called up share capital £	Revaluation reserve £	Profit and loss account £	**Total £**
At 11 July 2016		–	–	–	–
Loss for the year				(353,366)	(353,366)
Other comprehensive income for the year:					
Revaluation of tangible assets	**12**	–	4,800,000	–	4,800,000
Total comprehensive income for the year		–	4,800,000	(353,366)	4,446,634
Issue of shares		100	–	–	100
Total investments by and distributions to owners		100	–	–	100
At 31 March 2017		100	4,800,000	(353,366)	4,446,734
Profit for the year				128,082	128,082
Total comprehensive income for the year		–	–	128,082	128,082
At 31 March 2018		100	4,800,000	(225,284)	4,574,816

The notes on pages 15 to 27 form part of these financial statements.

Vine Kenwood Limited

Company Statement of Changes in Equity

Year ended 31 March 2018

	Called up share capital	Profit and loss account	**Total**
	£	£	**£**
At 11 July 2016	–	–	–
Profit for the year		–	–
Issue of shares	100	–	100
Total investments by and distributions to owners	100	–	100
At 31 March 2017	100	–	100
Profit for the year		–	–
At 31 March 2018	100	–	100

The notes on pages 15 to 27 form part of these financial statements.

Vine Kenwood Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2018

	2018	2017
	£	£
Cash flows from operating activities		
Profit/(loss) for the financial year	128,082	(353,366)
Adjustments for:		
Depreciation of tangible assets	48,904	26,756
Amortisation of intangible assets	590,500	409,306
Other interest receivable and similar income	(95)	(26)
Interest payable and similar expenses	155,535	108,166
Gains on disposal of tangible assets	(328,950)	–
Accrued (income)/expenses	(37,500)	104,882
Changes in:		
Stocks	(8,615)	(28,952)
Trade and other debtors	(113,711)	(264,258)
Trade and other creditors	(166,453)	2,828,080
Cash generated from operations	267,697	2,830,588
Interest paid	(155,535)	(108,166)
Interest received	95	26
Net cash from operating activities	112,257	2,722,448
Cash flows from investing activities		
Purchase of tangible assets	(166,249)	(4,488,861)
Proceeds from sale of tangible assets	349,999	1,013,752
Purchase of intangible assets	–	(5,905,005)
Net cash from/(used in) investing activities	183,750	(9,380,114)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	–	100
Repayment of borrowings	(140,000)	3,730,000
Repayment of finance lease liabilities	(20,000)	2,989,293
Net cash (used in)/from financing activities	(160,000)	6,719,393
Net increase in cash and cash equivalents	136,007	61,727
Cash and cash equivalents at beginning of year	61,727	–
Cash and cash equivalents at end of year	197,734	61,727

The notes on pages 15 to 27 form part of these financial statements.

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.

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 Kenwood 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, other than those highlighted below.

3. Accounting policies *(continued)*

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for the supply of accommodation, food, drinks and related goods at the group's hotel site, stated net of discounts and of Value Added Tax.

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, 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.

The group also has some income from management charges.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

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	-	10% straight line

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.

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

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

Assets held under finance leases 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.

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.

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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:

	Year to 31 Mar 18	Period from 11 Jul 16 to 31 Mar 17
	£	£
Sale of goods	3,602,210	2,078,961

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

5. Other operating income

	Year to 31 Mar 18	Period from 11 Jul 16 to 31 Mar 17
	£	£
Management charges receivable	180,000	75,000
Other operating income	–	10,000
	180,000	85,000

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	Year to 31 Mar 18	Period from 11 Jul 16 to 31 Mar 17
	£	£
Amortisation of intangible assets	590,500	409,306
Depreciation of tangible assets	48,904	26,756
Gains on disposal of tangible assets	(328,950)	–
Impairment of trade debtors	1,486	302

7. Auditor's remuneration

	Year to 31 Mar 18	Period from 11 Jul 16 to 31 Mar 17
	£	£
Fees payable for the audit of the financial statements	8,040	7,500

8. Staff costs

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

	2018	2017
	No.	No.
Production staff	96	96
Management staff	8	12
	104	108

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

	Year to 31 Mar 18	Period from 11 Jul 16 to 31 Mar 17
	£	£
Wages and salaries	1,316,039	799,557
Social security costs	61,576	43,627
Other pension costs	5,223	3,724
	1,382,838	846,908

9. Other interest receivable and similar income

	Year to 31 Mar 18	Period from 11 Jul 16 to 31 Mar 17
	£	£
Interest on cash and cash equivalents	95	26

10. Interest payable and similar expenses

	Year to 31 Mar 18	Period from 11 Jul 16 to 31 Mar 17
	£	£
Interest on banks loans and overdrafts	55,535	51,499
Other interest payable and similar charges	100,000	56,667
	155,535	108,166

11. Intangible assets

Group	**Goodwill**
	£
Cost	
At 1 April 2017 and 31 March 2018	5,905,005
Amortisation	
At 1 April 2017	409,306
Charge for the year	590,500
At 31 March 2018	999,806
Carrying amount	
At 31 March 2018	4,905,199
At 31 March 2017	5,495,699

The company has no intangible assets.

Kenwood Hotel Property Limited acquired the entire issued share capital of Venice Regal Sheffield Limited on 23 July 2016. The consideration for the shares was £4,392,297 and related costs amounted to £131,935. The net book value of the liabilities acquired was £1,380,773.

12. Tangible assets

Group

	Freehold property £	Long leasehold property £	Fixtures and fittings £	**Total £**
Cost				
At 1 April 2017	1,871,443	8,035,229	2,436,916	12,343,588
Additions	–	10,063	156,186	166,249
Disposals	(323,459)	–	(31,505)	(354,964)
At 31 March 2018	1,547,984	8,045,292	2,561,597	12,154,873
Depreciation				
At 1 April 2017	1,749,655	–	2,345,580	4,095,235
Charge for the year	–	–	48,904	48,904
Disposals	(302,409)	–	(31,506)	(333,915)
At 31 March 2018	1,447,246	–	2,362,978	3,810,224
Carrying amount				
At 31 March 2018	100,738	8,045,292	198,619	8,344,649
At 31 March 2017	121,788	8,035,229	91,336	8,248,353

The company has no tangible assets.

The leasehold property comprises hotel property, being the land, buildings, and integral fixtures and fittings contained therein.

The company property was freehold until July 2016 when the company sold the freehold and entered a sale and leaseback arrangement.

The directors have obtained a formal valuation of the long leasehold property with the sale and leaseback arrangement in place and have used this as the basis for arriving at the fair value now being carried in the accounts.

Depreciation has not been provided as the value in use of the property and the anticipated long expected useful life, coupled with the 150 year lease and high expected residual value, mean that any depreciation charge would not be material.

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.

12. Tangible assets *(continued)*

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 and company	**Long leasehold property**
	£
At 31 March 2018	
Aggregate cost	3,245,292
Aggregate depreciation	–
Carrying value	3,245,292
At 31 March 2017	
Aggregate cost	3,235,229
Aggregate depreciation	–
Carrying value	3,235,229

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**
	£
At 31 March 2018	8,045,292
At 31 March 2017	8,035,229

13. Investments

The group has no investments.

13. Investments *(continued)*

Company

	Shares in group undertakings
	£
Cost	
At 1 April 2017 and 31 March 2018	1
Impairment	
At 1 April 2017 and 31 March 2018	–
Carrying amount	
At 1 April 2017 and 31 March 2018	1
At 31 March 2017	1

Subsidiaries, associates and other investments

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

	Class of share	Percentage of shares held
Subsidiary undertakings		
Kenwood Hotel Property Limited	ordinary	100
Venice Regal Sheffield Limited	ordinary	100

All subsidaries are consolidated in the group accounts, have the same registered address as the company and are registered in England and Wales.

14. Stocks

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Raw materials and consumables	37,567	28,952	–	–

15. Debtors

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Trade debtors	58,769	87,299	–	–
Amounts owed by group undertakings	–	–	999,999	999,999
Prepayments and accrued income	64,200	51,354	–	–
Other debtors	255,000	125,605	–	–
	377,969	264,258	999,999	999,999

16. Creditors: amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank loans and overdrafts	140,000	140,000	–	–
Trade creditors	164,266	149,988	–	–
Accruals and deferred income	67,382	104,882	–	–
Social security and other taxes	49,920	88,546	–	–
Obligations under finance leases and hire purchase contracts	20,000	20,000	–	–
Director loan accounts	–	1,000,000	–	1,000,000
Other creditors	338,435	466,223	–	–
	780,003	1,969,639	–	1,000,000

The bank loan is secured upon all assets of the group.

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Director loan accounts	1,000,000	–	1,000,000	–
Bank loans and overdrafts	2,450,000	2,590,000	–	–
Obligations under finance leases and hire purchase contracts	2,949,293	2,969,293	–	–
Other creditors	2,109,006	2,123,323	–	–
	8,508,299	7,682,616	1,000,000	–

The bank loan is secured upon all assets of the group.

The obligations under finance leases and hire purchase contracts includes a figure of £2,949,293 (2017 £2,969,293) relating to monies received by the company as part of the freehold property sale and leaseback agreement. The amount advanced to the company in July 2016 in respect of this transaction was £3,000,000 and a lease for 150 years was entered into for an initial rent of £102,500 per annum; this sum will increase by RPI each year. Under the terms of the arrangement the company has the option to to re-purchase the freehold, for £1, on the day before the lease expires.

Sale and leaseback accounting treatment requires the sum of £3,000,000 received for the property to be taken to the statement of financial position 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 £2,889,293.

Other creditors includes a figure of £2,123,323 (2017 £2,137,639) relating to the profit on disposal of a freehold property in July 2016. The property in question had a carrying value of £852,516 and was sold for a total of £3,000,000 as part of a sale and leaseback arrangement. Under the terms of the arrangement the group has the option to re-purchase the freehold, for £1, on the day before the lease expires.

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 £14,317 per annum for 150 years.

The figure of £2,109,006 (2017 £2,123,323) shown as creditors due after more than one year relates entirely to this transaction and £2,051,739 (2017 £2,066,056) of this sum relates to more than five years.

18. Finance leases and hire purchase contracts

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

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Not later than 1 year	20,000	20,000	–	–
Later than 1 year and not later than 5 years	80,000	80,000	–	–
Later than 5 years	2,869,293	2,889,293	–	–
	2,969,293	2,989,293	–	–

19. 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.

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £5,223 (2017: £3,724).

21. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

22. Reserves

Non-distributable revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

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

23. Directors' advances, credits and guarantees

At the year end date one of the company's directors, Mr G Dyke, had advanced a loan of £1,000,000 (2017 £1,000,000) to the 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 (2017 £56,667) in respect of this loan has been paid by the company during the year.

24. Related party transactions

Group

The company has taken advantage of the exemptions available in FRS101 not to disclose transactions with other group companies.

Mr G Dyke, Mr G J Davies and Mr A G Rouse are directors of Venice Regal Sheffield Limited, a member of this group. During the period Venice Regal Sheffield Limited supplied Cresta Court Hotel Property Limited with management services amounting to £75,000.

24. Related party transactions *(continued)*

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.

25. Controlling party

The group, and company, is under the control of its directors who each own 25% of the issued share capital.