

COMPANY REGISTRATION NUMBER: 10256898

**Vine Kenwood Limited**  
**Financial Statements**  
**31 March 2022**

# **Vine Kenwood Limited**

## **Financial Statements**

**Year ended 31 March 2022**

<b>Contents</b>	<b>Pages</b>
Officers and professional advisers	<b>1</b>
Strategic report	<b>2 to 3</b>
Directors' report	<b>4 to 5</b>
Independent auditor's report to the members	<b>6 to 9</b>
Consolidated statement of comprehensive income	<b>10</b>
Consolidated statement of financial position	<b>11</b>
Company statement of financial position	<b>12</b>
Consolidated statement of changes in equity	<b>13</b>
Company statement of changes in equity	<b>14</b>
Consolidated statement of cash flows	<b>15</b>
Notes to the financial statements	<b>16 to 28</b>

**Vine Kenwood Limited**  
**Officers and Professional Advisers**

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**The board of directors**

Mr G Dyke  
Mr N Burgin  
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 2022**

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Following on from the challenges of the prior two years as a result of the global pandemic impact, this latest year reflects a significant recovery taking activity levels virtually to those enjoyed prior to the pandemic. As a result of the extended periods of lockdown during the prior two years in particular with the well documented effect on the hospitality industry, the company suffered financially but is now recovering very positively. The core hotel business was heavily affected by the consequential effects of the pandemic, but with a return to full activities as the restrictions were relaxed. The key performance indicators for the year were as follows: - Group turnover increased by £2.3 million, this being a 200% year over year increase. - The gross profit percentage returned to historic levels, at 46.09% as compared to 23.04% in 2021. - The company returned to an operating profit for the year of £420.3k as compared with a comparative loss of £1.115k in the prior year. - A pre tax profit for the year of £143.0k was recorded, compared to a £963.9k loss in the comparative period, this being a year on year improvement of £1,107k. The company has been able to survive throughout the lockdown periods by means of the various financial support measures put in place by the UK Government, along with continued and extended support from the holding company, this sitting alongside the company bankers who granted concessions during the period of the pandemic to assist with cash flow issues. Despite the inevitable and global negative impact of the pandemic, the directors are now of the view that there is a significant potential for very positive trading in a post pandemic buoyant market. The company has a very strong market presence in the specialist functions market, particularly in relation to weddings. There remains a very significant element of pent-up demand for wedding functions, to include those postponed during the pandemic but also creating an element of pressure on couples planning to marry in knowledge of the consequential scarcity of venue availability. Bookings and demand continue to be at record levels. In addition, the so called staycation market continues its unprecedented demand, as there remains an inevitable reticence, on the part of a significant proportion of the UK population, to consider foreign travel, and the underlying desire for some form of vacation will create significant demand. 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.

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 10 March 2023 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

# Vine Kenwood Limited

## Directors' Report

### Year ended 31 March 2022

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The directors present their report and the financial statements of the group for the year ended 31 March 2022 .

#### 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

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 10 March 2023 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

# **Vine Kenwood Limited**

## **Independent Auditor's Report to the Members of Vine Kenwood Limited**

**Year ended 31 March 2022**

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### **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 2022 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 2022 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.

### **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 FCA

(Senior Statutory Auditor)

For and on behalf of

Hebblethwaites

Chartered Accountants & Statutory Auditors

2 Westbrook Court

Sharrow Vale Road

Sheffield

S11 8YZ

10 March 2023

# Vine Kenwood Limited

## Consolidated Statement of Comprehensive Income

Year ended 31 March 2022

		2022	2021
	Note	£	£
<b>Turnover</b>	<b>4</b>	3,456,834	1,152,655
Cost of sales		( 1,863,738)	( 887,032)
		-----	-----
<b>Gross profit</b>		1,593,096	265,623
Administrative expenses		( 1,360,375)	( 1,382,113)
Other operating income	<b>5</b>	187,612	421,869
		-----	-----
<b>Operating profit/(loss)</b>	<b>6</b>	420,333	( 694,621)
Other interest receivable and similar income	<b>9</b>	14	50
Interest payable and similar expenses	<b>10</b>	( 277,348)	( 269,377)
		-----	-----
<b>Profit/(loss) before taxation</b>		142,999	( 963,948)
Tax on profit/(loss)		—	—
		-----	-----
<b>Profit/(loss) for the financial year</b>		142,999	( 963,948)
		-----	-----
Revaluation of tangible assets		( 1,893,827)	( 1,051,465)
		-----	-----
<b>Total comprehensive income for the year</b>		( 1,750,828)	( 2,015,413)
		-----	-----

All the activities of the group are from continuing operations.

**Vine Kenwood Limited**  
**Consolidated Statement of Financial Position**

**31 March 2022**

		<b>2022</b>	2021
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Intangible assets	<b>11</b>	2,543,197	3,133,698
Tangible assets	<b>12</b>	5,519,579	7,509,791
		-----	-----
		8,062,776	10,643,489
<b>Current assets</b>			
Stocks	<b>14</b>	25,545	11,286
Debtors	<b>15</b>	520,530	333,028
Cash at bank and in hand		590,524	26,659
		-----	-----
		1,136,599	370,973
<b>Creditors: amounts falling due within one year</b>	<b>17</b>	3,888,786	1,762,893
		-----	-----
<b>Net current liabilities</b>		2,752,187	1,391,920
		-----	-----
<b>Total assets less current liabilities</b>		5,310,589	9,251,569
<b>Creditors: amounts falling due after more than one year</b>	<b>18</b>	5,921,281	8,111,433
		-----	-----
<b>Net (liabilities)/assets</b>		( 610,692)	1,140,136
		-----	-----
<b>Capital and reserves</b>			
Called up share capital	<b>23</b>	100	100
Revaluation reserve	<b>24</b>	1,854,708	3,748,535
Profit and loss account	<b>24</b>	( 2,465,500)	( 2,608,499)
		-----	-----
<b>Shareholders (deficit)/funds</b>		( 610,692)	1,140,136
		-----	-----

These financial statements were approved by the board of directors and authorised for issue on 10 March 2023 ,  
and are signed on behalf of the board by:

Mr G Davies

Director

Company registration number: 10256898

**Vine Kenwood Limited**  
**Company Statement of Financial Position**

**31 March 2022**

		<b>2022</b>	<b>2021</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Investments	<b>13</b>	1	1
<b>Current assets</b>			
Debtors	<b>15</b>	999,999	999,999
Cash at bank and in hand		100	100
		-----	-----
		1,000,099	1,000,099
		-----	-----
<b>Net current assets</b>		1,000,099	1,000,099
		-----	-----
<b>Total assets less current liabilities</b>		1,000,100	1,000,100
<b>Creditors: amounts falling due after more than one year</b>	<b>18</b>	1,000,000	1,000,000
		-----	-----
<b>Net assets</b>		100	100
		-----	-----
<b>Capital and reserves</b>			
Called up share capital	<b>23</b>	100	100
		---	---
<b>Shareholders funds</b>		100	100
		---	---

The profit for the financial year of the parent company was £Nil (2021: £Nil).

These financial statements were approved by the board of directors and authorised for issue on 10 March 2023 , and are signed on behalf of the board by:

Mr G Davies

Director

Company registration number: 10256898

# Vine Kenwood Limited

## Consolidated Statement of Changes in Equity

Year ended 31 March 2022

	Note	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
<b>At 1 April 2020</b>		100	4,800,000	( 1,644,551)	3,155,549
Loss for the year				( 963,948)	( 963,948)
Other comprehensive income for the year:					
Revaluation of tangible assets	12	—	( 1,051,465)	—	( 1,051,465)
		—	—	—	—
<b>Total comprehensive income for the year</b>		—	( 1,051,465)	( 963,948)	( 2,015,413)
<b>At 31 March 2021</b>		100	3,748,535	( 2,608,499)	1,140,136
Profit for the year				142,999	142,999
Other comprehensive income for the year:					
Revaluation of tangible assets	12	—	( 1,893,827)	—	( 1,893,827)
		—	—	—	—
<b>Total comprehensive income for the year</b>		—	( 1,893,827)	142,999	( 1,750,828)
		—	—	—	—
<b>At 31 March 2022</b>		100	1,854,708	( 2,465,500)	( 610,692)
		—	—	—	—



# Vine Kenwood Limited

## Company Statement of Changes in Equity

Year ended 31 March 2022

	Called up share capital	Profit and loss account	Total
	£	£	£
<b>At 1 April 2020</b>	100	—	100
Profit for the year		—	—
<b>At 31 March 2021</b>	100	—	100
Profit for the year		—	—
	----	----	----
<b>At 31 March 2022</b>	100	—	100
	----	----	----

# Vine Kenwood Limited

## Consolidated Statement of Cash Flows

Year ended 31 March 2022

		2022	2021
	Note	£	£
<b>Cash flows from operating activities</b>			
Profit/(loss) for the financial year		142,999	( 963,948)
<i>Adjustments for:</i>			
Depreciation of tangible assets		146,538	145,750
Amortisation of intangible assets		590,501	590,500
Government grant income		( 84,022)	( 421,869)
Other interest receivable and similar income		( 14)	( 50)
Interest payable and similar expenses		277,348	269,377
Gains on disposal of tangible assets		( 498,431)	—
Accrued expenses		264,974	108,632
Interest accrued to directors		(100,000)	(100,000)
<i>Changes in:</i>			
Stocks		( 14,259)	6,954
Trade and other debtors		( 187,502)	44,816
Trade and other creditors		( 200,841)	243,480
		-----	-----
Cash generated from operations		337,291	( 76,358)
Interest paid		( 82,035)	( 59,733)
Interest received		14	50
		-----	-----
Net cash from/(used in) operating activities		255,270	( 136,041)
		-----	-----
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		( 90,749)	( 79,471)
Proceeds from sale of tangible assets		539,027	—
		-----	-----
Net cash from/(used in) investing activities		448,278	( 79,471)
		-----	-----
<b>Cash flows from financing activities</b>			
Repayment of borrowings		( 85,314)	( 70,000)
Government grant income		84,022	421,869
Repayment of finance lease liabilities		( 102,500)	( 102,500)
Payments of hire purchase liabilities		( 3,604)	( 3,304)
		-----	-----
Net cash (used in)/from financing activities		( 107,396)	246,065
		-----	-----
<b>Net increase in cash and cash equivalents</b>		596,152	30,553
<b>Cash and cash equivalents at beginning of year</b>		(5,628)	(36,181)
		-----	-----
<b>Cash and cash equivalents at end of year</b>	<b>16</b>	590,524	( 5,628)
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# Vine Kenwood Limited

## Notes to the Financial Statements

**Year ended 31 March 2022**

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### **1. General information**

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

### **2. Statement of compliance**

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

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Going concern**

Management have determined that a material uncertainty exists that may cast doubt on the groups ability to continue as a going concern. Given the then market conditions, a valuation of the group property was undertaken in March 2022 which resulted in a reduction in the value of the long leasehold property assets. 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 the pandemic and 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 property. 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 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 the Group and all of its subsidiary undertakings.

**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 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.

**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
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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:

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.

**Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

**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:

	2022	2021
	£	£
Sale of goods	3,456,834	1,152,655

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

#### 5. Other operating income

	2022	2021
	£	£
Government grant income	84,022	421,869
Other operating income	103,590	—
	187,612	421,869

Income from Government grants are 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/crediting:

	2022	2021
	£	£
Amortisation of intangible assets	590,501	590,500
Depreciation of tangible assets	146,538	145,750
Gains on disposal of tangible assets	( 498,431)	—
Impairment of trade debtors	2,350	(13,657)

#### 7. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	8,500	8,500

#### 8. Staff costs

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

	2022	2021
	No.	No.
Management staff	10	10
Administration and support	67	43
	77	53

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

	2022	2021
	£	£
Wages and salaries	1,254,441	774,898
Social security costs	67,640	35,733
Other pension costs	11,954	8,859
	1,334,035	819,490

## 9. Other interest receivable and similar income

	2022	2021
	£	£
Interest on cash and cash equivalents	14	50
	----	----

## 10. Interest payable and similar expenses

	2022	2021
	£	£
Interest on banks loans and overdrafts	80,202	74,840
Interest on obligations under finance leases and hire purchase contracts	97,146	94,537
Other interest payable and similar charges	100,000	100,000
	-----	-----
	277,348	269,377
	-----	-----

## 11. Intangible assets

Group	Goodwill
	£
<b>Cost</b>	
At 1 April 2021 and 31 March 2022	5,905,005
	-----
<b>Amortisation</b>	
At 1 April 2021	2,771,307
Charge for the year	590,501
	-----
At 31 March 2022	3,361,808
	-----
<b>Carrying amount</b>	
At 31 March 2022	2,543,197
	-----
At 31 March 2021	3,133,698
	-----

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 £
<b>Cost</b>				
At 1 April 2021	2,125,602	6,500,000	3,078,619	11,704,221
Additions	–	–	90,749	90,749
Disposals	( 1,117,641)	–	–	( 1,117,641)
Revaluations	–	( 1,400,000)	–	( 1,400,000)
<b>At 31 March 2022</b>	<b>1,007,961</b>	<b>5,100,000</b>	<b>3,169,368</b>	<b>9,277,329</b>
<b>Depreciation</b>				
At 1 April 2021	1,447,246	–	2,747,184	4,194,430
Charge for the year	–	–	146,538	146,538
Disposals	( 583,218)	–	–	( 583,218)
<b>At 31 March 2022</b>	<b>864,028</b>	<b>–</b>	<b>2,893,722</b>	<b>3,757,750</b>
<b>Carrying amount</b>				
<b>At 31 March 2022</b>	<b>143,933</b>	<b>5,100,000</b>	<b>275,646</b>	<b>5,519,579</b>
At 31 March 2021	678,356	6,500,000	331,435	7,509,791

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.

### 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 £
<b>At 31 March 2022</b>	
Aggregate cost	3,245,292
Aggregate depreciation	—
<b>Carrying value</b>	<b>3,245,292</b>
<b>At 31 March 2021</b>	
Aggregate cost	3,245,292
Aggregate depreciation	—
<b>Carrying value</b>	<b>3,245,292</b>

### 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 £	Fixtures and fittings £	Total £
<b>At 31 March 2022</b>	5,100,000	4,010	5,104,010
<b>At 31 March 2021</b>	6,500,000	5,809	6,505,809

### 13. Investments

The group has no investments.

Company	Shares in group undertakings £
<b>Cost</b>	
<b>At 1 April 2021 and 31 March 2022</b>	<b>1</b>
<b>Impairment</b>	
<b>At 1 April 2021 and 31 March 2022</b>	<b>—</b>
<b>Carrying amount</b>	
<b>At 1 April 2021 and 31 March 2022</b>	<b>1</b>
<b>At 31 March 2021</b>	<b>1</b>

## 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
<b>Subsidiary undertakings</b>		
Kenwood Hotel Property Limited	ordinary	100
Venice Regal Sheffield Limited	ordinary	100

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

## 14. Stocks

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	£	£	£	£
Raw materials and consumables	25,545	11,286	—	—
	-----	-----	---	---

## 15. Debtors

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	£	£	£	£
Trade debtors	132,294	474	—	—
Amounts owed by group undertakings	—	—	999,999	999,999
Prepayments and accrued income	63,166	93,024	—	—
Other debtors	325,070	239,530	—	—
	-----	-----	-----	-----
	520,530	333,028	999,999	999,999
	-----	-----	-----	-----

## 16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	<b>2022</b>	2021
	£	£
Cash at bank and in hand	590,524	26,659
Bank overdrafts	—	( 32,287)
	-----	-----
	590,524	( 5,628)
	-----	-----

## 17. Creditors: amounts falling due within one year

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	£	£	£	£
Bank loans and overdrafts	2,152,837	146,039	—	—
Trade creditors	184,123	113,119	—	—
Accruals and deferred income	550,538	244,919	—	—
Social security and other taxes	19,684	6,607	—	—
Obligations under finance leases and hire purchase contracts	22,998	22,998	—	—
Other creditors	958,606	1,229,211	—	—
	-----	-----	-----	-----
	3,888,786	1,762,893	—	—
	-----	-----	-----	-----

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

**18. Creditors: amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Director loan accounts	1,000,000	1,000,000	1,000,000	1,000,000
Bank loans and overdrafts	–	2,152,837	–	–
Obligations under finance leases and hire purchase contracts	2,869,543	2,892,541	–	–
Other creditors	2,051,738	2,066,055	–	–
	-----	-----	-----	-----
	5,921,281	8,111,433	1,000,000	1,000,000
	-----	-----	-----	-----

The bank loans are secured upon all assets of the group.

The obligations under finance leases and hire purchase contracts includes a figure of £2,889,293 (2021 £2,909,293) 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 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 £2,789,293 (2021 £2,809,293).

Other creditors includes a figure of £2,066,055 (2021 £2,080,372) 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 profit on disposal to be taken to the balance sheet as a creditor and this will be amortised at a rate of £14,317 per annum for 150 years.

The figure of £2,051,738 (2020 £2,066,055) shown as creditors due after more than one year relates entirely to this transaction and £1,994,472 (2021 £2,008,789) of this sum relates to more than five years.

**19. Finance leases and hire purchase contracts**

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

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Not later than 1 year	22,998	22,998	–	–
Later than 1 year and not later than 5 years	80,250	83,248	–	–
Later than 5 years	2,789,293	2,809,293	–	–
	-----	-----	----	----
	2,892,541	2,915,539	–	–
	-----	-----	----	----

**20. 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.

## 21. Employee benefits

### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 11,954 (2021: £ 8,859 ).

## 22. Government grants

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

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	£	£	£	£
Recognised in other operating income:				
Government grants recognised directly in income	84,022	421,869	—	—

## 23. Called up share capital

### Issued, called up and fully paid

	<b>2022</b>		<b>2021</b>	
	<b>No.</b>	£	<b>No.</b>	£
Ordinary shares of £ 1 each	100	100	100	100

## 24. 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.

## 25. Analysis of changes in net debt

	At 1 Apr 2021	Cash flows	<b>At 31 Mar</b>
			<b>2022</b>
	£	£	£
Cash at bank and in hand	26,659	563,865	590,524
Bank overdrafts	(32,287)	32,287	—
Debt due within one year	(136,750)	(2,039,085)	(2,175,835)
Debt due after one year	(6,045,378)	2,175,835	(3,869,543)
	( 6,187,756)	732,902	( 5,454,854)

# Vine Kenwood Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2022

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#### **26. Other financial commitments**

There is a cross guarantee from the following companies in respect of the obligations of Vine Kenwood Limited : Vine Hotels Limited Sheffield Park Hotel Property Limited Sheffield Park Hotel Limited Dolphin Hotel Property Limited Dolphin Hotel (Hampshire) 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.

#### **27. 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 (2021 : £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 (2021 £100,000) in respect of this loan has been charged to the company during the year.

## **28. Related party transactions**

### **Group**

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

### **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.

## **29. Controlling party**

The group, and company, is under the control of Mr G Dyke and Ms S Howes who between them own 75% of the issued share capital.

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