

Company registration number 01590762 (England and Wales)

PALMGLEN LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

PALMGLEN LIMITED

COMPANY INFORMATION

Directors	B Bourne M Watt S Xuan Bui F Nash
Secretary	A Davies
Company number	01590762
Registered office	73 Cornhill London EC3V 3QQ
Auditor	Gerald Edelman LLP 73 Cornhill London EC3V 3QQ

PALMGLEN LIMITED

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PALMGLEN LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Review of the business

The company has reported a significant rise in turnover achieving a satisfactory level of profit during the year under review.

The directors have considered the period ahead and expect the company to remain profitable.

Principal risks and uncertainties

The principal risks and uncertainties that could affect the company's business are summarised below:

Economic climate

The company is competing for a share of the disposable income of its target consumers and is exposed to the risks of the current economic climate; hence this could lower the company's revenues and operating results in the future. In particular there remains some element of uncertainty surrounding the rising cost of living in evidence across the world.

Regulatory changes

The company operates in a sector where government legislation impacts the business model. The business could be adversely affected by significant changes in legislation. We carefully monitor legislative developments and review sales trends and consumer habits to gauge their impact on our business. We continue to update our knowledge on changing regulations through training, completion of qualifications and communication with third party specialists.

Seasonality and weather

The number of admissions in the company's venue is considerably increased during holiday periods and over bank holiday periods. The company's revenues can also be adversely impacted by extremes of weather conditions which could deter consumers from visiting the venue. Current planning assumes average seasonal weather conditions.

High proportion of fixed overheads and variable revenues

A significant proportion of the company's cost base remains constant notwithstanding changes to the level of revenues. Therefore, any significant changes in the level of the company's revenues could significantly affect the level of profits and cash flows.

Health and safety

Health and safety are taken very seriously by the company. The risk of non-compliance with health and safety legislation is minimised through comprehensive training, review and development of policies and procedures to maintain standards.

Taxation

The company is exposed to financial risks from increases in tax rates and changes to the basis of taxation including corporation tax and VAT. Controls include regular monitoring of legislative proposals, engagement of experienced executives and the use of experienced sector-specific professional advisers to mitigate the impact of changes.

Financing

See Financial instruments.

Key performance indicators

The key performance indicators for the company are admission and income levels, gross profit and EBITDA. The directors consider that the company operates acceptable key performance indicators relevant to the nature of the business.

PALMGLEN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Financial instruments

The company's principal financial instruments comprise bank balances, trade creditors and treasury movements with its parent undertaking. The main purpose of these instruments is to manage funds for the company's operations and to finance the company's operations. The company's approach to managing risks applicable to the financial instruments concerned is shown below.

Price risk

Price risk is managed by regularly negotiating prices with suppliers.

Interest rate risk

The company now finances its operations through its own profitability and reserves. The parent undertaking had an interest rate protection agreement in respect of its bank borrowing, using an interest rate swap to generate the desired interest profile and thereby manage its exposure to interest rate fluctuations. The parent company had historically recharged this interest at cost to Palmglen Limited, being the trading entity. This loan was redeemed in December 2021.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. This is achieved through improved profitability which is recognised in the form of cash. The company policy throughout the year has been to ensure continuity of funding.

On behalf of the board

B Bourne

Director

11 March 2024

PALMGLEN LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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

Principal activities

The principal activity of the company in the year under review was that of a jazz club, bar and restaurant.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S Greene	(Resigned 4 August 2022)
B Bourne	
M Watt	
S Xuan Bui	
F Nash	

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £3,000,000 (2022: £500,000). The directors do not recommend payment of a final dividend.

Auditor

The auditor, Gerald Edelman LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

PALMGLEN LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Going Concern

Having reviewed the company's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company continues to hold good cash reserves to shelter against any further economic uncertainty and to continue operationally. Thus, the going concern basis has been adopted in preparing the financial statements for the year ended 31 March 2023.

On behalf of the board

B Bourne

Director

11 March 2024

PALMGLEN LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PALMGLEN LIMITED

Opinion

We have audited the financial statements of Palmglen Limited (the 'company') for the year ended 31 March 2023 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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.

PALMGLEN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PALMGLEN LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our audit procedures were primarily directed towards testing the accounting systems in operation upon which we have based our assessment of the financial statements for the year ended 31 March 2023.

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas; posting of unusual journals and management override.
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act 2006, tax legislation, employment, food hygiene, and health and safety.

PALMGLEN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PALMGLEN LIMITED

Audit response to risks identified

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

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Auditing the risk of management override of controls, including through testing journal entries for appropriateness.
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias.
- Investigated the rationale behind significant or unusual transactions.

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

- Agreeing financial statements disclosures to underlying supporting documentation.
- Reviewing minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation claims.
- Reviewing legal and professional fees.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance.

Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

Howard Woolf FCA
Senior Statutory Auditor
For and on behalf of Gerald Edelman LLP

11 March 2024

Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

PALMGLEN LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	13,865,092	10,459,469
Cost of sales		(4,972,524)	(3,231,551)
Gross profit		8,892,568	7,227,918
Administrative expenses		(5,486,113)	(4,578,104)
Other operating income	3	4,060	1,971,641
Operating profit	5	3,410,515	4,621,455
Interest receivable and similar income	6	155,241	-
Interest payable and similar expenses	7	-	(5,180)
Profit before taxation		3,565,756	4,616,275
Tax on profit	10	(702,617)	(916,183)
Profit for the financial year		2,863,139	3,700,092

The profit and loss account has been prepared on the basis that all operations are continuing operations.

PALMGLEN LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£	£
Profit for the year	2,863,139	3,700,092
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,863,139</u>	<u>3,700,092</u>

PALMGLEN LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		1,585,355		1,786,835
Current assets					
Stocks	12	84,680		96,155	
Debtors	13	3,805,477		2,478,758	
Cash at bank and in hand		4,759,557		6,382,465	
		<u>8,649,714</u>		<u>8,957,378</u>	
Creditors: amounts falling due within one year	14	<u>(3,569,477)</u>		<u>(3,941,760)</u>	
Net current assets			5,080,237		5,015,618
Total assets less current liabilities			6,665,592		6,802,453
Provisions for liabilities					
Deferred tax liability	15	35,263		35,263	
		<u>(35,263)</u>		<u>(35,263)</u>	
Net assets			<u>6,630,329</u>		<u>6,767,190</u>
Capital and reserves					
Called up share capital	16	548,024		548,024	
Revaluation reserve		1,300,943		1,463,561	
Profit and loss reserves		4,781,362		4,755,605	
Total equity			<u>6,630,329</u>		<u>6,767,190</u>

The financial statements were approved by the board of directors and authorised for issue on 11 March 2024 and are signed on its behalf by:

B Bourne
Director

Company Registration No. 01590762

PALMGLEN LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

		Share capital	Revaluation reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 April 2021		548,024	1,626,179	1,392,895	3,567,098
Year ended 31 March 2022:					
Profit and total comprehensive income for the year		-	-	3,700,092	3,700,092
Dividends	9	-	-	(500,000)	(500,000)
Transfers		-	(162,618)	162,618	-
Balance at 31 March 2022		548,024	1,463,561	4,755,605	6,767,190
Year ended 31 March 2023:					
Profit and total comprehensive income for the year		-	-	2,863,139	2,863,139
Dividends	9	-	-	(3,000,000)	(3,000,000)
Transfers		-	(162,618)	162,618	-
Balance at 31 March 2023		548,024	1,300,943	4,781,362	6,630,329

PALMGLEN LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	22	2,410,086		4,455,452	
Interest paid		-		(5,180)	
Income taxes paid		(1,053,715)		(418,000)	
Net cash inflow from operating activities		1,356,371		4,032,272	
Investing activities					
Purchase of tangible fixed assets		(134,520)		-	
Interest received		155,241		-	
Net cash generated from/(used in) investing activities		20,721		-	
Financing activities					
Proceeds of new bank loans		-		50,000	
Repayment of bank loans		-		(100,000)	
Dividends paid		(3,000,000)		(500,000)	
Net cash used in financing activities		(3,000,000)		(550,000)	
Net (decrease)/increase in cash and cash equivalents		(1,622,908)		3,482,272	
Cash and cash equivalents at beginning of year		6,382,465		2,900,193	
Cash and cash equivalents at end of year		4,759,557		6,382,465	

PALMGLEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Palmglen Limited is a private company limited by shares incorporated in England and Wales. The registered office is 73 Cornhill, London, EC3V 3QQ. The trading address is 47 Frith Street, Soho, London, W1D 4HT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention modified to include the revaluation of its leasehold property reflected as deemed cost in accordance with FRS 102. The principal accounting policies adopted are set out below.

1.2 Going concern

Having reviewed the company's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. The company continues to hold good cash reserves to shelter against any economic uncertainty and to continue operationally. Thus, the going concern basis has been adopted in preparing the financial statements for the year ended 31 March 2023.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts and settlement discounts. Entrance fee income, food and beverage, and other ancillary income are recognised when the event takes place or on the provision of the service. Income received prior to the year end for events after the financial year are deferred and recognised in the future period.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over the unexpired term of the lease of 8 years
Leasehold improvements	on cost between 5 and 20 years
Fixtures and fittings	on cost over 5 years
Computers	on cost over 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the profit and loss account.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Short leasehold properties that had been revalued to fair value on or prior to the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

PALMGLEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the profit and loss account. Reversals of impairment losses are also recognised in the profit and loss account.

1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

PALMGLEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors, cash and bank balances and amounts due from its parent company, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through the profit and loss account, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

PALMGLEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the profit and loss account on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

PALMGLEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in the profit and loss account.

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Amortisation and depreciation, useful lives and residual values of tangible fixed assets

The directors estimate the useful lives and residual values of tangible assets in order to calculate the depreciation charge. Changes in these estimates could result in changes being required to the annual charges in the profit and loss account and the carrying values of these assets in the balance sheet.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2023 £	2022 £
Turnover analysed by class of business		
Jazz club, bar and restaurant	13,865,092	10,459,469
	<u> </u>	<u> </u>
	2023 £	2022 £
Other revenue		
Interest income	155,241	-
Grants received	4,060	277,245
Exceptional income	-	1,694,396
	<u> </u>	<u> </u>

PALMGLEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
Staff	88	80

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	2,472,970	2,256,884
Pension costs	68,212	43,587
	2,541,182	2,300,471

5 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	-	(2,149)
Government grants	(4,060)	(277,245)
Fees payable to the company's auditor for the audit of the company's financial statements	10,000	10,000
Depreciation of owned tangible fixed assets	336,000	336,000
Operating lease charges	806,657	637,378

6 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	45,299	-
Other interest income	109,942	-
Total income	155,241	-
	2023	2022
	£	£
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	45,299	-

PALMGLEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Interest payable and similar expenses

	2023	2022
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	241
Interest payable to group undertakings	-	4,939
	<u>-</u>	<u>5,180</u>
	<u><u>-</u></u>	<u><u>5,180</u></u>

8 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	175,500	134,979
	<u>175,500</u>	<u>134,979</u>
	<u><u>175,500</u></u>	<u><u>134,979</u></u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 1).

9 Dividends

	2023	2022
	£	£
Interim paid	3,000,000	500,000
	<u>3,000,000</u>	<u>500,000</u>
	<u><u>3,000,000</u></u>	<u><u>500,000</u></u>

10 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	702,617	931,715
	<u>702,617</u>	<u>931,715</u>
	<u><u>702,617</u></u>	<u><u>931,715</u></u>
Deferred tax		
Origination and reversal of timing differences	-	(15,532)
	<u>-</u>	<u>(15,532)</u>
	<u><u>-</u></u>	<u><u>(15,532)</u></u>
Total tax charge	<u>702,617</u>	<u>916,183</u>
	<u><u>702,617</u></u>	<u><u>916,183</u></u>

PALMGLEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	3,565,756	4,616,275
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	677,494	877,092
Tax effect of expenses that are not deductible in determining taxable profit	116	-
Other tax adjustments	324	702
Group relief	-	(2,687)
Depreciation in excess of capital allowances	24,683	56,608
Deferred taxation	-	(15,532)
Taxation charge for the year	702,617	916,183

11 Tangible fixed assets

	Leasehold land and buildings	Leasehold improvements	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 April 2022	3,653,402	2,529,201	1,163,753	-	7,346,356
Additions	-	-	36,489	98,031	134,520
At 31 March 2023	3,653,402	2,529,201	1,200,242	98,031	7,480,876
Depreciation and impairment					
At 1 April 2022	2,211,877	2,204,824	1,142,820	-	5,559,521
Depreciation charged in the year	160,169	119,226	32,133	24,472	336,000
At 31 March 2023	2,372,046	2,324,050	1,174,953	24,472	5,895,521
Carrying amount					
At 31 March 2023	1,281,356	205,151	25,289	73,559	1,585,355
At 31 March 2022	1,441,525	324,377	20,933	-	1,786,835

12 Stocks

	2023 £	2022 £
Finished goods and goods for resale	84,680	96,155

PALMGLEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	304,103	232,920
Amounts owed by group undertakings	3,081,120	1,761,121
Other debtors	1,000	1,000
Prepayments and accrued income	419,254	483,717
	<u>3,805,477</u>	<u>2,478,758</u>

14 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	572,472	546,567
Corporation tax	162,617	513,715
Other taxation and social security	513,795	424,976
Other creditors	445,374	638,156
Accruals and deferred income	1,875,219	1,818,346
	<u>3,569,477</u>	<u>3,941,760</u>

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities	Liabilities
	2023	2022
	£	£
Balances:		
Accelerated capital allowances	<u>35,263</u>	<u>35,263</u>

There were no deferred tax movements in the year.

The deferred tax liability set out above is expected to reverse and relates to accelerated capital allowances that are expected to mature within the same period.

16 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary of £1 each	<u>548,024</u>	<u>548,024</u>	<u>548,024</u>	<u>548,024</u>

PALMGLEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to the profit and loss account in respect of defined contribution schemes	68,212	43,587

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Financial commitments, guarantees and contingent liabilities

The company has provided a cross-guarantee in favour of a bank facility provided by HSBC Bank plc to this company's parent undertaking. At the year end, the amount owed by The Ronnie Scott's Jazz Club Limited was £nil (2022: £306,326) as the loan was redeemed in December 2021. There is a fixed and floating charge over the assets of the company in favour of the company's bankers.

19 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	668,501	655,001
Between two and five years	2,674,004	2,620,004
In over five years	2,333,587	3,002,088
	<u>5,676,092</u>	<u>6,277,093</u>

PALMGLEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Related party transactions

The company has taken advantage of the exemption available under FRS102 whereby it has not disclosed transactions and balances with any wholly owned group companies.

During the year, the company charged £35,880 (2022: £981) to Greene Light Stage plc for services provided. At the year end, an amount of £17,222 (2022: £13,609) was due from this entity. S A Greene is a director and shareholder in Greene Light Stage plc.

During the year, a company of which M Bucks is a director charged the company professional fees of £100,000 (2022: £91,667) for services provided. At the year end, an amount of £32,000 (2022: £30,000) was due to this entity.

During the year, the company made charitable donations aggregating £19,097 (2022: £nil) to Ronnie Scott's Charitable Foundation. Certain trustees of the foundation are directors of this company. At the year end, an amount of £15,491 (2022: £22,799) was due to this charity.

21 Ultimate controlling party

The immediate and ultimate parent company is The Ronnie Scott's Jazz Club Limited, a company registered in England and Wales. Copies of the group financial statements can be obtained from Companies House.

In the opinion of the directors, the group was controlled by S Greene together with her family.

22 Cash generated from operations

	2023	2022
	£	£
Profit for the year after tax	2,863,139	3,700,092
Adjustments for:		
Taxation charged	702,617	916,183
Finance costs	-	5,180
Investment income	(155,241)	-
Depreciation and impairment of tangible fixed assets	336,000	336,000
Movements in working capital:		
Decrease/(increase) in stocks	11,475	(13,174)
Increase in debtors	(1,326,719)	(892,625)
(Decrease)/increase in creditors	(21,185)	403,796
Cash generated from operations	2,410,086	4,455,452

23 Analysis of changes in net funds

	1 April 2022	Cash flows	31 March 2023
	£	£	£
Cash at bank and in hand	6,382,465	(1,622,908)	4,759,557

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.