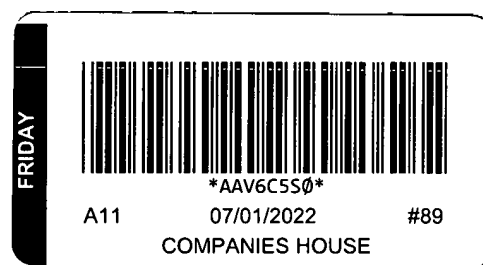


Registered No.
03235178

Zelgrain Limited

Report and Financial Statements

15 August 2021



Zelgrain Limited
Period ended 15 August 2021

COMPANY INFORMATION

DIRECTORS

P A Bennett
G George
E Bashforth

AUDITOR

Cooper Parry Group Limited
Sky View
Argosy Road
East Midlands Airport
Derby
DE74 2SA

BANKERS

Royal Bank of Scotland plc
10 Gordon Road
Glasgow
G1 3PL

REGISTERED OFFICE

146 Springfield Road
Brighton
BN1 6BZ

Zelgrain Limited
Period ended 15 August 2021

STRATEGIC REPORT

Registered No. 03235178

REVIEW OF THE BUSINESS

The principal activity of the company is to provide the use of its public houses to the Laine Pub Company, its parent company for a management charge.

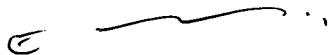
RESULTS AND DIVIDENDS

The profit after taxation for the 52 week period amounted to £3,526,000 (52 week period ended 16 August 2020: loss after taxation of £1,434,000). The directors do not propose the payment of a final dividend (2020: £nil).

GOING CONCERN

After due consideration the Directors believe that they have a reasonable expectation that the company has sufficient resources to continue in operational existence for the 12 months from the date of approval of these financial statements, and therefore continue to adopt the going concern in their preparation. Please see note 2 for further details.

On behalf of the board



E Bashforth
Director
15 December 2021

Zelgrain Limited
Period ended 15 August 2021

DIRECTORS' REPORT

Registered No. 03235178

The directors present their report and financial statements for the financial period ended 15 August 2021.

DIRECTORS

The directors of the company who served during the period are listed on the company information page.

A third party indemnity provision (as defined in section 234 of the Companies Act 2006) is in force for the benefit of the directors.

APPROVAL OF REDUCED DISCLOSURES

The company, as qualifying entity, has taken advantage, in respect of its separate financial statements, of the disclosure exemptions in FRS 102 paragraph 1.12. The company's shareholder was notified in a previous year in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

AUDIT INFORMATION

The directors confirm that, so far as they are aware, there is no relevant audit information of which the auditor is unaware and that each director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

The company has elected to dispense with the obligation to appoint an auditor annually under s487 of the Companies Act 2006.

On behalf of the board



E Bashforth
Director
15 December 2021

Zelgrain Limited
Period ended 15 August 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the directors' report, the strategic 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZELGRAIN LIMITED

Opinion

We have audited the financial statements of Zelgrain Limited (the 'company') for the period ended 15 August 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 15 August 2021 and its profit the period 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 United Kingdom, including the Financial Reporting Council'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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Opinion 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 period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the company's 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 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 assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom, and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- 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;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the pub sector;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias, in particular the director's assessment of its revaluation policy
- investigated the rationale behind significant or unusual transactions
- reviewed client's basis for provisions; and
- reviewed nominals of certain nominal codes for indication of any management override.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and associated parties

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

Cooper Parry Group Limited

Katharine Warrington (senior statutory auditor)

for and on behalf of
Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View, Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

15.12.21

Zelgrain Limited
Period ended 15 August 2021

PROFIT & LOSS ACCOUNT
for the 52 week period ended 15 August 2021

	Notes	52 week period ended 15 August 2021			52 week period ended 16 August 2020		
		Underlying items	Non-underlying items (note 5)	Total	Underlying items	Non-underlying items (note 5)	Total
		£000	£000	£000	£000	£000	£000
TURNOVER	3	1,853	-	1,853	2,545	-	2,545
GROSS PROFIT		1,853	-	1,853	2,545	-	2,545
Administrative (Expenses)		(1,307)	-	(1,307)	(2,424)	-	(2,424)
Loss on disposal of fixed assets		-	(212)	(212)	-	(26)	(26)
Onerous lease provision movement	13	-	1,424	1,424	-	129	129
Impairment of tangible fixed assets		-	-	-	-	(2,558)	(2,558)
Other Income	5	-	1,428	1,428			
OPERATING PROFIT / (LOSS)	4	546	2,640	3,186	121	(2,455)	(2,334)
Interest payable and similar charges	7	(121)	-	(121)	-	-	-
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		425	2,640	3,065	121	(2,455)	(2,334)
Tax on profit / (loss) on ordinary activities	8	877	(416)	461	461	439	900
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		1,302	2,224	3,526	582	(2,016)	(1,434)

The profit and loss account relates to continuing activities.

Zelgrain Limited
Period ended 15 August 2021

STATEMENT OF COMPREHENSIVE INCOME
for the 52 week period ended 15 August 2021

	52 week period ended 15 August 2021 £000	52 week period ended 16 August 2020 £000
Profit / (loss) for the period	3,526	(1,434)
Other comprehensive income:		
Realisation of property valuation gains	-	(521)
Deferred tax movement on revaluation reserve	-	142
Other comprehensive loss for the year, net of income tax	-	(379)
Total recognised income / (losses) in the period	3,526	(1,813)
Total gains / (losses) since the last report	3,526	(1,813)

Zelgrain Limited
Period ended 15 August 2021

BALANCE SHEET
as at 15 August 2021

	<i>Notes</i>	15 August 2021 £000	16 August 2020 £000
NON CURRENT ASSETS			
Tangible fixed assets	9	9,098	9,803
		<u>9,098</u>	<u>9,803</u>
CURRENT ASSETS			
Debtors: (including £519,000 (2020: £81,000) due after more than one year)	10	2,387	648
Cash at bank and in hand	11	40	21
		<u>2,427</u>	<u>669</u>
CURRENT LIABILITIES			
Creditors: amounts falling due in less than one year	12	(8,701)	(9,392)
		<u>(8,701)</u>	<u>(9,392)</u>
NET CURRENT LIABILITIES		<u>(6,274)</u>	<u>(8,723)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,824</u>	<u>1,080</u>
NON-CURRENT LIABILITIES			
Provisions	13	(154)	(1,913)
NET ASSETS / (LIABILITIES)		<u><u>2,670</u></u>	<u><u>(833)</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	38	38
Share premium		468	468
Revaluation reserve		2,266	2,289
Profit and loss account		(102)	(3,628)
SHAREHOLDER'S FUNDS / (DEFICIT)		<u><u>2,670</u></u>	<u><u>(833)</u></u>

The financial statements were approved and authorised for issue by the board and signed on its behalf on
15 December 2021



E Bashforth

Registered No. 03235178

Zelgrain Limited
Period ended 15 August 2021

STATEMENT OF CHANGES IN EQUITY
for the 52 week period ended 15 August 2021

	Share Capital £000	Share premium £000	Revaluation Reserve £000	Profit & Loss Account £000	Total Equity £000
At 18 August 2019	38	468	2,897	(2,423)	980
Total losses for the period	-	-	-	(1,434)	(1,434)
Realised surplus from depreciation	-	-	(212)	212	-
Realised surplus from impairment	-	-	(521)	-	(521)
Deferred tax liability movement	-	-	142	-	142
Transfers on disposal of fixed assets	-	-	(17)	17	-
At 16 August 2020	<u>38</u>	<u>468</u>	<u>2,289</u>	<u>(3,628)</u>	<u>(833)</u>
Deferred tax asset movement	-	-	(23)	-	(23)
Profit for the period	-	-	-	3,526	3,526
At 15 August 2021	<u><u>38</u></u>	<u><u>468</u></u>	<u><u>2,266</u></u>	<u><u>(102)</u></u>	<u><u>2,670</u></u>

Share capital represents the nominal value of shares that have been issued.

Share premium account represents the excess paid on the nominal value of shares issued by the company.

The revaluation reserve represents amounts revalued in relation to properties.

The profit and loss account represents all current and prior periods retained profit and losses after the payment of dividends.

Zelgrain Limited

Period ended 15 August 2021

NOTES TO THE FINANCIAL STATEMENTS for the 52 week period ended 15 August 2021

1 STATUTORY INFORMATION

Zelgrain Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the company information page.

2 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historic cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The financial statements have been prepared over a 12 month period to 16 August 2020.

The functional currency of Zelgrain Limited is considered to be Sterling because that is the currency of the primary economic environment in which the company operates. The consolidated financial statements are also presented in Sterling.

Zelgrain Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Zelgrain Limited is consolidated in the financial statements of its parent, Vine Acquisitions Limited.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows
- the requirement of section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of Section 33.1A Related Party Disclosures paragraph 33.7.

Fundamental accounting concept - going concern

After due consideration the director's believe that they have a reasonable expectation that the company has sufficient resources to continue in operational existence for the 12 months from the date of approval of these financial statements, and therefore continue to adopt the going concern in their preparation. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern; such as the recoverability of balances due from fellow group undertakings.

Significant accounting estimates and judgement

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Zelgrain Limited
Period ended 15 August 2021

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 15 August 2021

Critical judgements and estimates in applying the company's accounting policies

There are no significant judgements or estimates likely to have a material impact on future financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and VAT.

Tangible fixed assets

Tangible fixed assets are held at cost less depreciation.

Revaluation

As a result of the move to FRS 102 properties are now held at deemed cost at the date of transition, 01 July 2014 and are no longer revalued.

Where depreciation charges had previously been increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves.

Depreciation

Depreciation is charged on a straight-line basis on freehold and long leasehold buildings over the estimated useful life of the asset. It is the company's policy to maintain the properties comprising the licensed estate in such a condition that the residual values of the properties, based on prices prevailing at the time of acquisition or subsequent revaluation, are at least equal to their book values. As a result, the depreciation charged on freehold and long leasehold buildings is nil.

It is the opinion of the directors that it is not practical or appropriate to separate from the value of the buildings the value of long life fixtures and fittings, which are an integral part of the buildings. This approach is supported by the opinion of an independent external adviser.

Landlord's fixtures and fittings include removable items, which are generally regarded as within landlord ownership. These are depreciated in accordance with the policy detailed below.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short Lease land and buildings	-	Straight line over the lease life
Plant, machinery, fixtures & fittings	-	Over 5 and 7 years

Impairment of Fixed Assets

Property, plant and equipment are reviewed for impairment if circumstances suggest that the carrying amount may not be recoverable. Recoverable amounts are determined based on value-in-use calculations and estimated sale proceeds. These calculations require assumptions to be made regarding future cash flows and the choice of a suitable discount rate in order to calculate the present value of those cash flows. Actual outcomes may vary from these estimates.

Zelgrain Limited
Period ended 15 August 2021

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 15 August 2021

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is not provided on unremitted earnings where there is no binding commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Financial Liabilities and equity

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

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation to transfer economic resources as a result of past events.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. Provisions are discounted if the effect of the time value of money is material. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Leasing commitments

Assets held under finance leases are capitalised in the balance sheet and are depreciated over their useful economic lives. The capital elements of future obligations under leases are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and represent a constant proportion of the balance of capital repayments outstanding.

Grant Income

Grants are recognised only when there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. Grants that are receivable as compensation for expenses already incurred are recognised in profit or loss in the period that they become receivable. Grant income has been recognised within underlying items in the prior period and within non underlying items in the current period.

Non-underlying items

In order to provide a trend measure of underlying performance, profit is presented excluding items that management believe will distort comparability, either due to their significant nature, or as a result of specific accounting treatments. Further detail on the nature of non-underlying items is included in note 5.

Zelgrain Limited
Period ended 15 August 2021

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 15 August 2021

3 TURNOVER

Turnover represents management charge income which is recharged to other companies within the same group.

Turnover includes:

	52 week period ended 15 August 2021 £000	52 week period ended 16 August 2020 £000
Management charge income	1,853	2,545
	<u>1,853</u>	<u>2,545</u>

4 OPERATING PROFIT / (LOSS)

This is stated after charging:

	52 week period ended 15 August 2021 £000	52 week period ended 16 August 2020 £000
Depreciation	1,763	2,424

Auditor remuneration is paid by another company in The Vine Acquisition group in the current period, the amount relating to this company is £1,000 (2020: £1,000).

Zelgrain Limited
Period ended 15 August 2021

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 15 August 2021

5 NON-UNDERLYING ITEMS

	52 week period ended 15 August 2021 £000	52 week period ended 16 August 2020 £000
Onerous lease provision (note 13)	(1,424)	(129)
Impairment of tangible fixed assets	-	2,558
Included within other operating income		
Grant Income	1 (1,428)	-
Included within fixed asset disposals:		
Loss on disposal	212	26
Tax charge on non-underlying items	377	55
Net effect of expenses not deductible for tax purposes	40	
Adjustments to tax in respect of prior periods	(1)	(494)
	<u>(2,224)</u>	<u>2,016</u>

¹ Represents grant income from local government due to the COVID pandemic.

6 EMPLOYEES AND DIRECTORS

There were no employees in the current year and prior year.

The directors remuneration are borne by another group company, (2020 nil). Their roles within the company are deemed to be incidental to their wider roles within the group and therefore the company bears no costs in relation to the directors.

Zelgrain Limited
Period ended 15 August 2021

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 15 August 2021

7 INTEREST PAYABLE AND SIMILAR CHARGES

	52 week period ended 15 August 2021 £000	52 week period ended 16 August 2020 £000
Unwinding of discount effect of onerous lease provision	121	-
	<u>121</u>	<u>-</u>

Zelgrain Limited
Period ended 15 August 2021

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 15 August 2021

8 TAXATION

Tax recognised in the profit and loss account

	52 week period ended 15 August 2021 £000	52 week period ended 16 August 2020 £000
Current tax:		
- adjustments in respect of prior periods	(1)	(368)
	<u>(1)</u>	<u>(368)</u>
Deferred tax:		
- origination and reversal of temporary differences	(336)	(406)
- change in standard rate of tax	(124)	-
- adjustments in respect of prior periods	-	(126)
	<u>(460)</u>	<u>(532)</u>
Total tax credit for the period	<u>(461)</u>	<u>(900)</u>

Tax recognised in other comprehensive income

	52 week period ended 15 August 2021 £000	52 week period ended 16 August 2020 £000
Deferred tax movement on revaluation reserve	-	142
	<u>-</u>	<u>142</u>

Reconciliation of tax credit

	52 week period ended 15 August 2021 £000	52 week period ended 16 August 2020 £000
Profit / (loss) on ordinary activities before taxation	<u>3,065</u>	<u>(2,334)</u>
Current tax at 19.00% (2020: 19.00%)	582	(443)
Effects of:		
Non-taxable income not deductible for tax purposes	(918)	(18)
Adjustments in respect of prior periods	(1)	(494)
Current period non-underlying charges	(124)	55
Total tax credit	<u>(461)</u>	<u>(900)</u>

On 11 March 2020 the Chancellor of the exchequer announced that the tax rate reduction from 19% to 17% was no longer going to be implemented and the deferred tax balance was recognised based on the 19% at the 16 August 2020. Following on from the budget on 3 March 2021 an announcement was made to increase the corporation tax rate to 25% with effect from 1 April 2023. Based on the change in tax rate the deferred tax balance has been calculated and recognised based on the 25% enacted rate.

Zelgrain Limited
Period ended 15 August 2021

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 15 August 2021

9 TANGIBLE FIXED ASSETS

	Land & buildings £000	Plant, machinery, fixtures & fittings £000	Total £000
Cost or valuation:			
As at 16 August 2020	13,694	16,702	30,396
Additions	-	1,058	1,058
Disposals	(295)	(502)	(797)
As at 15 August 2021	<u>13,399</u>	<u>17,258</u>	<u>30,657</u>
Depreciation:			
As at 16 August 2020	10,952	9,641	20,593
Charge for the year	419	1,344	1,763
Disposals	(295)	(502)	(797)
As at 15 August 2021	<u>11,076</u>	<u>10,483</u>	<u>21,559</u>
Net book value:			
As at 15 August 2021	<u>2,323</u>	<u>6,775</u>	<u>9,098</u>
As at 16 August 2020	<u>2,742</u>	<u>7,061</u>	<u>9,803</u>

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NOTES TO THE FINANCIAL STATEMENTS
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9 TANGIBLE FIXED ASSETS

If land and buildings had been measured using the cost model, the carrying amounts would be as follows:

	Total £000
Cost	9,136
Accumulated depreciation	(2,401)
Net book value at 15 August 2021	<u>6,735</u>
Net book value at 16 August 2020	<u>7,154</u>

Impairment loss

When any indicators of impairment are identified, property, plant and equipment are reviewed for impairment based on each cash generating unit (CGU). The cash generating units are individual pubs. The carrying values of these individual pubs are compared to the recoverable amount of the CGUs, which is the higher of value-in-use (VIU) and fair value less costs to sell (FVLCS).

Following an annual impairment review of all property, plant and equipment an impairment of £nil (16 August 2020: £3,079,000) has been identified.

Zelgrain Limited
Period ended 15 August 2021

NOTES TO THE FINANCIAL STATEMENTS
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10 DEBTORS

	2021	2020
	£000	£000
Amounts falling due in less than one year:		
Amounts due from group undertakings	1,864	411
Social security and other taxes	-	153
Prepayments and accrued income	4	3
	<u>1,868</u>	<u>567</u>
Amounts falling due after more than one year:		
Deferred tax asset (note 14)	519	81
	<u>519</u>	<u>81</u>

11 CASH AND CASH EQUIVALENTS

	2021	2020
	£000	£000
Cash at bank and in hand	40	21
	<u>40</u>	<u>21</u>

12 CREDITORS: amounts falling due in less than one year

	2021	2020
	£000	£000
Trade creditors	945	1,727
Amounts owed to group undertakings	7,753	7,303
Accruals and deferred income	3	308
Corporation tax	-	54
	<u>8,701</u>	<u>9,392</u>

13 PROVISIONS FOR LIABILITIES

	2021	2020
	£000	£000
Opening Provision	1,913	2,042
Utilised during the period	(456)	(465)
Unwinding of discount effect of provisions	121	123
Credited directly to the profit and loss account ¹	(1,424)	213
Closing Provision	<u>154</u>	<u>1,913</u>

¹ £1,424,000 of the onerous lease provision was credited to the profit or loss account in the year. Of this £737,000 relates to leases which have been contractually agreed to surrender. The remaining release relates to trading conditions improving.

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NOTES TO THE FINANCIAL STATEMENTS
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14 DEFERRED TAX

The movements in deferred tax assets during the period are shown below:

Deferred tax liabilities / (assets)

	Accelerated capital allowances £000
At 18 August 2019	593
Charged to profit or loss account	(532)
Charged to equity	(142)
At 16 August 2020	(81)
Charged to profit or loss account	(461)
Credited to equity	23
At 15 August 2021	(519)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be utilised.

Zelgrain Limited

Period ended 15 August 2021

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 15 August 2021

15 SHARE CAPITAL

	2021 No.	2021 £	2020 No.	2020 £
<i>Allotted, called up and fully paid:</i>				
Ordinary shares of £1 each	38	38	38	38

Zelgrain Limited
Period ended 15 August 2021

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 15 August 2021

16 FINANCIAL COMMITMENTS

At 15 August 2021 the company had annual commitments under non-cancellable operating leases as set out below:

Land and buildings

	2021	2020
	£000	£000
Less than one year	4,763	4,984
Between one and five years	18,907	19,655
More than five years	54,274	49,554
	<u>77,944</u>	<u>74,193</u>

The company leases various licensed properties, offices and other commercial properties under non-cancellable operating lease agreements. The leases have various terms, escalation clauses and renewal rights.

17 RELATED PARTY DISCLOSURES

As the company is a wholly owned subsidiary it has taken advantage of the exemption permitted by FRS 102 33.1A not to disclose any transactions or balances with entities that are part of the Vine Acquisitions Ltd Group.

18 POST BALANCE SHEET EVENTS

On the 15 December 2021, funds managed by affiliates of Fortress Investment Group LLC acquired the entire issued share capital of Vine Acquisitions Limited. Following completion of the acquisition, the company's ultimate parent undertaking and controlling party becomes Fortress Investment Group LLC, an independently operated subsidiary of SoftBank Group Corp.

19 ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is The Laine Pub Company Limited a company registered in England & Wales.

The company's ultimate parent undertaking and controlling party is Patron Capital, V.L.P, a Jersey L.P managed and controlled in Jersey.

Following completion of the acquisition referenced in note 18, the company's ultimate parent undertaking and controlling party becomes Fortress Investment Group LLC, an independently operated subsidiary of SoftBank Group Corp.

The largest group in which the results of the company are consolidated is that headed by Vine Acquisitions Limited, a company registered in England & Wales. The smallest group in which the results of the company are consolidated is that headed by The Laine Pub Company Limited, a company registered in England & Wales.

Copies of the financial statements of Vine Acquisitions Limited & The Laine Pub Company Ltd are available from Companies House.