

Company registration number 03914051 (England and Wales)

SPEARMINT RHINO VENTURES (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



SPEARMINT RHINO VENTURES (UK) LIMITED

COMPANY INFORMATION

Directors	Ms K Vercher Mr J R Specht
Secretary	Spearmint Rhino Secretarial Services Ltd
Company number	03914051
Registered office	161 Tottenham Court Road London United Kingdom W1T 7NN
Auditor	Azets Audit Services Gladstone House 77-79 High Street Egham Surrey United Kingdom TW20 9HY

SPEARMINT RHINO VENTURES (UK) LIMITED

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SPEARMINT RHINO VENTURES (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the group is the operation of nightclubs.

Results and dividends

No ordinary dividends were paid in 2021 (2020 - Nil). The directors do not recommend payment of a further dividend.

Directors

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

Ms K Vercher
Mr J R Specht

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the group will be put at a General Meeting.

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 group and company, and of 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 auditor of the company 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 auditor of the company is aware of that information.

Small companies exemption

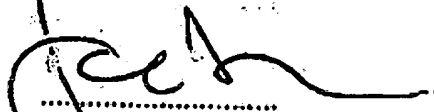
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

SPEARMINT RHINO VENTURES (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

On behalf of the board



.....
Mr J R Specht
Director

Date:

20/9/2022

SPEARMINT RHINO VENTURES (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SPEARMINT RHINO VENTURES (UK) LIMITED

Opinion

We have audited the financial statements of Spearmint Rhino Ventures (UK) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group 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 group's and the parent company's affairs as at 31 December 2021 and of the group's loss 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 group and parent 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 group's and parent 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.

SPEARMINT RHINO VENTURES (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SPEARMINT RHINO VENTURES (UK) LIMITED

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 parent company and their environment obtained in the course of the audit, we have not identified material misstatements in 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

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 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 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.

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.

SPEARMINT RHINO VENTURES (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SPEARMINT RHINO VENTURES (UK) LIMITED

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. 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.

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.

Azets Audit Services

Paul Creasey (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

Date: 22 September 2022

Chartered Accountants
Statutory Auditor

Gladstone House
77-79 High Street
Egham
Surrey
United Kingdom
TW20 9HY

SPEARMINT RHINO VENTURES (UK) LIMITED

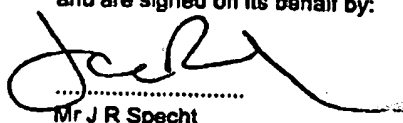
GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	8		-		-
Tangible assets	7		1,971,757		2,013,768
Current assets					
Stocks		11,870		47,598	
Debtors	12	538,477		1,114,253	
Cash at bank and in hand		702,727		62,508	
		<u>1,253,074</u>		<u>1,224,359</u>	
Creditors: amounts falling due within one year	13	<u>(9,627,815)</u>		<u>(9,531,314)</u>	
Net current liabilities			<u>(8,374,741)</u>		<u>(8,306,955)</u>
Total assets less current liabilities			<u>(6,402,984)</u>		<u>(6,293,187)</u>
Creditors: amounts falling due after more than one year	15		(36,667)		(46,667)
Provisions for liabilities			<u>(162,748)</u>		<u>(123,227)</u>
Net liabilities			<u>(6,602,399)</u>		<u>(6,463,081)</u>
Capital and reserves					
Called up share capital			1,000		1,000
Revaluation reserve			1,304,491		1,372,074
Capital redemption reserve			600,000		600,000
Profit and loss reserves	16		<u>(8,507,890)</u>		<u>(8,436,155)</u>
Total equity			<u>(6,602,399)</u>		<u>(6,463,081)</u>

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 20/9/2022 and are signed on its behalf by:



 Mr J R Specht
 Director

SPEARMINT RHINO VENTURES (UK) LIMITED

COMPANY BALANCE SHEET

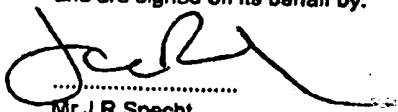
AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	10		470		352,648
Current assets					
Debtors	12	15,832		1,710,537	
Cash at bank and in hand		9,030		1,221	
		<u>24,862</u>		<u>1,711,758</u>	
Creditors: amounts falling due within one year	13	<u>(8,308,569)</u>		<u>(7,648,412)</u>	
Net current liabilities			<u>(8,283,707)</u>		<u>(5,936,654)</u>
Net liabilities			<u>(8,283,237)</u>		<u>(5,584,006)</u>
Capital and reserves					
Called up share capital			1,000		1,000
Capital redemption reserve			600,000		600,000
Profit and loss reserves	16		<u>(8,884,237)</u>		<u>(6,185,006)</u>
Total equity			<u>(8,283,237)</u>		<u>(5,584,006)</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £2,699,231 (2020 - £357,516 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 20/9/2022 and are signed on its behalf by:



 Mr J R Specht
 Director

Company Registration No. 03914051

SPEARMINT RHINO VENTURES (UK) LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover		977,463	674,914
Cost of sales		(1,057,396)	(1,359,294)
Gross loss		(79,933)	(684,380)
Administrative expenses		(941,619)	(821,140)
Other operating income		629,698	710,531
Profit on sale of tangible assets	3	292,341	-
Loss on sale of property	3	-	(791,760)
Operating loss		(99,513)	(1,586,749)
Interest receivable and similar income	5	15	39
Interest payable and similar expenses	6	(218)	(99,703)
Amounts written off investments		(11)	-
Loss before taxation		(99,727)	(1,686,413)
Tax on loss		(39,591)	49,519
Loss for the financial year	16	(139,318)	(1,636,894)

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

SPEARMINT RHINO VENTURES (UK) LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2020	1,000	1,761,767	600,000	(7,188,954)	(4,826,187)
Year ended 31 December 2020:					
Loss and total comprehensive income for the year	-	-	-	(1,636,894)	(1,636,894)
Transfers	-	(389,693)	-	389,693	-
Balance at 31 December 2020	1,000	1,372,074	600,000	(8,436,155)	(6,463,081)
Year ended 31 December 2021:					
Loss and total comprehensive income for the year	-	-	-	(139,318)	(139,318)
Transfers	-	(67,583)	-	67,583	-
Balance at 31 December 2021	1,000	1,304,491	600,000	(8,507,890)	(6,602,399)

SPEARMINT RHINO VENTURES (UK) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2020	1,000	361,631	600,000	(6,904,153)	(5,941,522)
Year ended 31 December 2020:					
Profit and total comprehensive income for the year	-	-	-	357,516	357,516
Transfers	-	(361,631)	-	361,631	-
Balance at 31 December 2020	1,000	-	600,000	(6,185,006)	(5,584,006)
Year ended 31 December 2021:					
Loss and total comprehensive income for the year	-	-	-	(2,699,231)	(2,699,231)
Balance at 31 December 2021	1,000	-	600,000	(8,884,237)	(8,283,237)

SPEARMINT RHINO VENTURES (UK) LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	20		644,173		(2,469,275)
Interest paid			(218)		(99,703)
Income taxes paid			(1)		(1,528)
Net cash inflow/(outflow) from operating activities			643,954		(2,570,506)
Investing activities					
Proceeds on disposal of tangible fixed assets		-		1,635,452	
Proceeds on disposal of investment property		-		625,000	
Receipts arising from loans made		(11)		-	
Interest received		15		39	
Net cash generated from investing activities			4		2,260,491
Financing activities					
Proceeds of new bank loans		-		50,000	
Repayment of bank loans		(3,739)		(25)	
Net cash (used in)/generated from financing activities			(3,739)		49,975
Net increase/(decrease) in cash and cash equivalents			640,219		(260,040)
Cash and cash equivalents at beginning of year			62,508		322,548
Cash and cash equivalents at end of year			702,727		62,508

SPEARMINT RHINO VENTURES (UK) LIMITED

GROUP STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Judgements and 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.

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.

Investment property

The directors assess the fair value of the investment property where an external valuer has not performed a valuation. The key judgements involved are a review of the market rates and rental yields.

Deferred tax

Deferred tax assets are raised to the extent that it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilised.

2 Accounting policies

Company information

Spearmint Rhino Ventures (UK) Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 161 Tottenham Court Road, London, United Kingdom, W1T 7NN.

The group consists of Spearmint Rhino Ventures (UK) Limited and all of its subsidiaries.

2.1 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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. The principal accounting policies adopted are set out below.

2.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

SPEARMINT RHINO VENTURES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies

(Continued)

The consolidated group financial statements consist of the financial statements of the parent company Spearmint Rhino Ventures (UK) Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.3 Going concern

After taking into account the economic conditions, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Spearmint Rhino Companies Worldwide and the sole shareholder, John Gray, continue to be supportive of the company and its business. The company therefore continues to adopt the going concern basis in preparing its financial statements.

On an operational level, the company also relies upon the Entertainment license it holds remaining in place. The directors are confident that the license will not be revoked in the foreseeable future and on this basis consider it appropriate to prepare the financial statements on a going concern basis.

2.4 Turnover

Turnover comprises revenue recognised by the group in respect of nightclub services and related goods supplied during the year, exclusive of Value Added Tax and trade discounts. Turnover is recognised on the date of supply.

2.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

2.6 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 remaining life of the lease
Fixtures and fittings	20% straight line
Motor vehicles	20% straight line

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 recognised in the profit and loss account.

SPEARMINT RHINO VENTURES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies

(Continued)

2.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

2.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow moving items.

2.10 Cash and cash equivalents

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.

2.11 Financial instruments

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, 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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

2.12 Taxation

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

SPEARMINT RHINO VENTURES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 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 group'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 if, and only if, there is 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.

2.13 Retirement benefits

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

2.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2.15 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.

2.16 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 profit or loss.

SPEARMINT RHINO VENTURES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Exceptional item

	2021 £	2020 £
Expenditure		
Profit on sale of tangible assets	(292,341)	-
Profit or loss on sale of tangible assets	-	791,760
	<u>(292,341)</u>	<u>791,760</u>

4 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Total	<u>49</u>	<u>73</u>	<u>2</u>	<u>2</u>

5 Interest receivable and similar income

	2021 £	2020 £
Other interest receivable and similar income	<u>15</u>	<u>39</u>

6 Interest payable and similar expenses

	2021 £	2020 £
Interest payable to group undertakings	<u>-</u>	<u>99,073</u>

SPEARMINT RHINO VENTURES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Tangible fixed assets

Group	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2021	3,412,668	3,156,057	6,568,725
Disposals	-	(828,943)	(828,943)
At 31 December 2021	3,412,668	2,327,114	5,739,782
Depreciation and impairment			
At 1 January 2021	1,399,619	3,155,338	4,554,957
Depreciation charged in the year	41,292	719	42,011
Eliminated in respect of disposals	-	(828,943)	(828,943)
At 31 December 2021	1,440,911	2,327,114	3,768,025
Carrying amount			
At 31 December 2021	1,971,757	-	1,971,757
At 31 December 2020	2,013,049	719	2,013,768
Company		Plant and machinery etc	
		£	
Cost			
At 1 January 2021 and 31 December 2021			275,043
Depreciation and impairment			
At 1 January 2021 and 31 December 2021			275,043
Carrying amount			
At 31 December 2021			-

SPEARMINT RHINO VENTURES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2021 and 31 December 2021	1,936,201
Amortisation and impairment	
At 1 January 2021 and 31 December 2021	1,936,201
Carrying amount	
At 31 December 2021	-
At 31 December 2020	-

The company had no intangible fixed assets at 31 December 2021 or 31 December 2020.

9 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Nature of business	Class of shares held	% Held Direct
Bacchus Limited	Operation of a nightclub	Ordinary	100.00
RKW Limited	Non-trading entity	Ordinary	100.00
Sassy Productions Limited	Non-trading entity	Ordinary	100.00
Sonfield Developments Limited	Operation of a nightclub	Ordinary	100.00
Spearmint Rhino Companies (Birmingham) Limited	Operation of a nightclub	Ordinary	100.00
Spearmint Rhino Companies (Europe) Limited	Operation of a nightclub	Ordinary	100.00
SR Leicestershire Ltd	Holding company	Ordinary	100.00

The registered office for all of the subsidiaries is 161 Tottenham Court Road, London, England, W1T 7NN.

10 Fixed asset investments

	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	-	-	470	352,648

SPEARMINT RHINO VENTURES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Financial instruments

	Group 2021 £	2020 £	Company 2021 £	2020 £
Carrying amount of financial assets				
Instruments measured at fair value through profit or loss	-	656,000	-	656,000

12 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	37,208	-	-	-
Amounts owed by group	-	-	-	959,115
Other debtors	363,535	966,449	6,373	743,382
	400,743	966,449	6,373	1,702,497
Deferred tax asset	17,734	17,804	9,459	8,040
	418,477	984,253	15,832	1,710,537
Amounts falling due after more than one year:				
Other debtors	120,000	130,000	-	-
Total debtors	538,477	1,114,253	15,832	1,710,537

13 Creditors: amounts falling due within one year

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	9,593	3,333	-	-
Trade creditors	1,186,857	966,237	41,498	51,239
Amounts owed to group undertakings	-	-	-	2,583,954
Taxation and social security	120,349	40,057	2,972	2,407
Other creditors	8,311,016	8,521,687	8,264,099	5,010,812
	9,627,815	9,531,314	8,308,569	7,648,412

SPEARMINT RHINO VENTURES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	46,260	50,000	-	-
Payable within one year	9,593	3,333	-	-
Payable after one year	36,667	46,667	-	-

15 Creditors: amounts falling due after more than one year

Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	36,667	46,667	-	-
	36,667	46,667	-	-

16 Profit and loss reserves

	Group 2021 £	2020 £	Company 2021 £	2020 £
At the beginning of the year	(8,436,155)	(7,188,954)	(6,185,006)	(6,904,153)
Profit/(loss) for the year	(139,318)	(1,636,894)	(2,699,231)	357,516
Transfer from revaluation reserve	67,583	389,693	-	361,631
At the end of the year	(8,507,890)	(8,436,155)	(8,884,237)	(6,185,006)

SPEARMINT RHINO VENTURES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

17 Operating lease commitments

Lessee

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

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	471,200	518,000	-	-
Between two and five years	1,884,800	2,072,000	-	-
In over five years	4,869,600	5,457,801	-	-
	<u>7,225,600</u>	<u>8,047,801</u>	<u>-</u>	<u>-</u>

18 Related party transactions

The group has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

The group headed by Spearmint Rhino Companies Worldwide Inc is regarded as a related party by virtue of common ownership. Amounts owed to the group amounted to £Nil (2020: £7,815,712) and interest payable in the year amounted to £Nil (2020: £99,072).

The ultimate controlling party is John Gray. Other creditors includes amounts owed to John Gray of £8,264,099 (2020: £Nil). No interest has been charged on this loan.

19 Controlling party

The ultimate controlling party is J Gray.

SPEARMINT RHINO VENTURES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20 Cash generated from/(absorbed by) group operations

	2021 £	2020 £
Loss for the year after tax	(139,318)	(1,636,894)
Adjustments for:		
Taxation charged/(credited)	39,591	(49,519)
Finance costs	218	99,703
Investment income	(15)	(39)
Gain on disposal of tangible fixed assets	-	(24,832)
(Gain)/loss on disposal of investment property	-	31,000
Depreciation and impairment of tangible fixed assets	42,011	106,828
Other gains and losses	11	-
Movements in working capital:		
Decrease in stocks	35,728	13,597
Decrease/(increase) in debtors	575,706	(529,666)
Increase/(decrease) in creditors	90,241	(479,453)
Cash generated from/(absorbed by) operations	644,173	(2,469,275)

21 Analysis of changes in net funds - group

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	62,508	640,219	702,727
Borrowings excluding overdrafts	(50,000)	3,740	(46,260)
	12,508	643,959	656,467