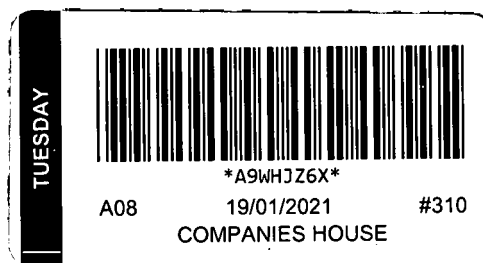


Registered No.
06067476

Amended
The Laine Pub Company Ltd

**Group Strategic Report, Report of the Directors and Consolidated
Financial Statements**

16 August 2020



The Laine Pub Company Ltd
Period ended 16 August 2020

COMPANY INFORMATION

DIRECTORS

P A Bennett
G George
E Bashforth
S E T Green
N A Bulkin

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

SOLICITORS

Freeths LLP
1 Vine Street
Mayfair
London
W1J 0AH

REGISTERED OFFICE

146 Springfield Road
Brighton
BN1 6BZ

The Laine Pub Company Ltd

Period ended 16 August 2020

GROUP STRATEGIC REPORT

Registered No. 06067476

REVIEW OF THE BUSINESS

The principal activity of the group is that of public house operators within the leisure industry and the brewing of beer.

The FY20 annual accounts report a 52 week period against a 50 week period in FY19. This regularises future accounting years with other Vine Acquisitions Limited group companies.

CULTURE AND VALUES

Laine is a vertically integrated pub operator and brewer, with pubs located across Brighton, London and Birmingham and brewing facilities in Sussex and London. The company also operates 5 pubs under the Mash Inns joint venture with Stonegate Pub Company. Since 1996 Laine's pub business has been creating 'third places' where free-thinking customers engage in inviting, indulging and ultimately inspiring pub experiences. With enhanced pub offerings such as immersive theatre, virtual reality, circus shows, arcade gaming, performance art, Laine takes the idea of "a night down the pub" to a whole new level. Taking inspiration from the vibrant, diverse and colourful city of Brighton, Laine has created some of the most idiosyncratic pubs in the UK. The company's cultural and ecological ethos underpins its commercial objectives, ensuring that its pubs remain relevant to the communities they serve.

Laine's beer business is a fast growing, popular craft brewery, inspired by Brighton pub culture and offering a range of tasty and accessible craft beers available in cask, keg, bottle and can. The main production brewery in the Sussex Downs was expanded in 2018 to double capacity to c.25,000 hectolitres, producing craft beers in volume for the UK on and off trades. The beer lab breweries in Brighton and Hackney, produce constantly changing and evolving seasonal and experimental beers. Always with a focus on consistent, sessionable recipes, supported by leftfield design and point-of-sale, Laine creates highly individual and authentic craft beer which is accessible to all.

RESULTS AND DIVIDENDS

The loss after taxation for the 52 week period amounted to £5,888,000 (50 week period ended 18 August 2019: loss after taxation of £7,410,000). The directors do not propose the payment of a final dividend (2019: £nil).

SECTION 172 STATEMENT

Under section 172 of the Companies Act the directors of the company have a duty to promote the success of the company for the benefit of shareholders as a whole. This section of the report is designed to set out how the directors have complied with their obligations in this regard.

The directors of the company have acted in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

Stakeholders

The directors believe it is important to work together with stakeholders, building positive relationships in order to deliver long-term sustainable success. As the company is a wholly owned subsidiary of the Vine Acquisitions Limited group, the company's key stakeholders are largely the same as those of Vine Acquisitions Limited. Decisions affecting the company are based on group strategy, filtered down from the group.

Shareholders: The group board meets every period to discuss the financial reporting and strategy of the group. The board includes directors of the group, who are employed by Patron Capital and May Capital, majority shareholders in the group. The board meetings give investors the opportunity to provide feedback to the directors on a range of matters.

Employees: The group is committed to regular, two way communications between the Board and employees, with strong structures and channels in place for consultation and feedback. The leadership team deliver regular business briefs to employees on the group's performance and also hold regular, two-way consultation sessions with employees.

The group is an equal opportunities employer, welcoming pub lovers of all backgrounds. We know that a huge part of what makes our business such a great place to work is our inclusive culture and environment, where all of our people can truly be themselves, whilst realising their full potential. This means that all employees and applicants are treated equally, regardless of their age, disability, race, religion or belief, gender, sexual orientation, marital or civil partnership status.

Publicans: The group operates as a population of over 50 individual pub businesses, creating exciting possibilities through the pub-by-pub approach, with publicans at the heart of everything we do, using our scale for the benefit of each of our pubs, publicans and their guests.

The group is not restricted to any one operating model, but operates across the full spectrum of operating formats, from Management Partnerships agreements to fully Managed pubs.

Debt holders: The group is largely financed through intercompany loans.

Suppliers: The group seeks to maintain strong, long term, relationships with key suppliers to ensure high quality and service levels are sustained. Senior members of the management team regularly meet with key suppliers to ensure relationships are upheld.

Equality, diversity and disabled employees

The group is committed to promoting diversity. To this end, the group is committed to providing equal opportunities in recruitment, promotion, career development, training and reward to all employees without discrimination. The group gives full consideration to applications for employment from disabled persons, where the requirements of the job can be adequately fulfilled by such persons. The group continues to be supportive of the employment of disabled persons in accordance with their abilities and aptitudes, provided that they can be employed in a safe working environment. Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions.

Community, charity and environment

Doing Well by Doing Good underpins all we do, and we are committed to ensuring that the social impact of our business is a positive one. The key principles we adhere to are promoting responsible retailing of alcohol, supporting good causes and supporting local communities.

We are active supporters of Drinkaware and promote the messages of the Drinkaware campaign throughout our business and are signatories to the Portman Group Alcohol Sponsorship Code. We have a dedicated Risk Management team in place to ensure that our pubs operate responsibly and to the highest standards. Responsible retailing forms a key part of our publican training and we provide our publicans via the Buying Club (an industry-leading online ordering and information portal), with a wide range of downloadable educational tools, advice and pub friendly materials.

As well as our own commitment to charities, we also encourage all our publicans to consider the role their pub business can play in the local community. Many pubs have diversified to provide a wider community service, through services such as hosting the post office or local shop as well as providing meeting spaces to local clubs and societies. Local pubs are also perfectly positioned to coordinate fundraising events for local sports teams, charities and community groups.

Political donations

The company does not make any donations to any political party or organisation.

Payment of suppliers

It is the company policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

RISKS AND UNCERTAINTIES

Liquidity risk

In order to maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term debt finance.

Brexit

Whilst outside the control of the Group, the uncertainty surrounding the impact of the UK's exit from the EU is considered a risk to the generation of sales.

CORONAVIRUS AND GOING CONCERN

At the date of signing these financial statement, the directors have considered the effect of the Covid-19 pandemic on the group with the information available to it, and do not believe it will affect the group's ability to continue to trade for the foreseeable future. The outbreak of Covid-19 casts a high degree of uncertainty as to the future financial performance and cash flows of the group. The implications of this have been considered by the Director's in assessing the ability of the Group to continue as a going concern.

After due consideration the Director's believe that they have a reasonable expectation that the Group 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

KEY PERFORMANCE INDICATORS

EBITDA is defined as earnings before interest, taxation, depreciation and amortisation. The directors consider earnings before other allowable costs, interest, taxation, depreciation and amortisation ("Operational EBITDA") to be the group's key performance indicator. The other allowable costs include exceptional items.

	52 weeks to 16/08/2020 £'000	50 weeks to 18/08/2019 £'000
Operating (loss)/profit	(7,128)	(6,883)
Depreciation	2,969	2,777
Onerous lease provision	(129)	2,042
Loss on disposal of tangible fixed assets	65	228
Other non-underlying items	157	426
Impairment losses	2,693	5,485
Total EBITDA	(1,373)	4,075

On behalf of the board



E Bashforth

Director

17 December 2020

The Laine Pub Company Ltd
Period ended 16 August 2020

DIRECTORS' REPORT

Registered No. 06067476

The directors present their report and financial statements for the financial period ended 16 August 2020.

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.

DISABLED EMPLOYEES

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by handicapped or disabled persons.

Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

EMPLOYEE INVOLVEMENT

The group recognises the value of its employees and seeks to create an energetic, dynamic and responsive environment in which to work. It places considerable importance on communications with employees which take place at many levels through the organisation on both a formal and informal level. We hold regular staff briefings and events.

POST BALANCE SHEET EVENTS

In response to rising Covid-19 case numbers, the Government announced the closure of all hospitality venues (including pubs) in England for on premises consumption for four weeks from Thursday 5 November until Wednesday 2 December. Different measures to address the rising Covid-19 case numbers were implemented in Wales and Scotland.

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use date for the period 19 August 2019 to 16 August 2020	2020
Energy consumption used to calculate emissions (kWh)	9,354,812
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	836
Owned transport	-
Total Scope 1	836
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	1,121
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	-
Total Gross emissions in metric tonnes CO2e	1,957
Intensity ratio: tonnes CO2e per thousand pounds of turnover	0.06

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per thousand pounds of turnover.

Measures taken to improve energy efficiency

We have actively reduced energy consumption by increased use of technology across the business. This has included utilising various smart meters across the business alongside increased use of video conferencing technology for staff, to reduce the need for travel.

APPROVAL OF REDUCED DISCLOSURES

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

The group also intends to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the group by shareholders holding in aggregate 5 per cent or more of the total allocated shares in the group.

The Laine Pub Company Ltd
Period ended 16 August 2020

DISCLOSURE IN THE STRATEGIC REPORT

Details of risks and uncertainties can be found in the strategic report and form part of this report by cross-reference.

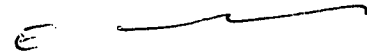
AUDIT INFORMATION

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
17 December 2020

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
- 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE LAINE PUB COMPANY LTD**

Opinion

We have audited the consolidated and company financial statements of The Laine Pub Company Limited for the year ended 16 August 2020 which comprise the profit and loss account, balance sheet, statement of changes in equity, statement of cash flows and the notes to the financial statements, 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 Financial Reporting Standard 102 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group and company's affairs as at 16 August 2020 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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.

Material uncertainty related to going concern as a result of Covid 19

We draw attention to the going concern accounting policy of the financial statements which highlights that the group and company has been impacted by the Covid 19 pandemic, as stated in note 2. The extent to which the group and company is impacted, and its ability to continue as a going concern is uncertain, and will depend upon the severity of the pandemic. Our opinion is not modified in respect of this matter. The financial statements do not include the adjustments that would result if the group and company was unable to continue as a going concern.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our audit 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.

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.

Other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our 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 by the company, 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 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 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.

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

Date: 17 December 2020

The Laine Pub Company Ltd
Period ended 16 August 2020

CONSOLIDATED PROFIT & LOSS ACCOUNT
for the 52 week period ended 16 August 2020

		52 week period ended 16 August 2020			50 week period ended 18 August 2019		
	Notes	Underlying Items	Non- underlying Items (note 6)	Total	Underlying Items	Non- underlying Items (note 6)	Total
		£000	£000	£000	£000	£000	£000
TURNOVER	3	31,162	-	31,162	43,007	-	43,007
Cost of sales		(14,124)	-	(14,124)	(11,157)	-	(11,157)
GROSS PROFIT		17,038	-	17,038	31,850	-	31,850
Administrative expenses		(22,403)	(28)	(22,431)	(30,552)	(2,468)	(33,020)
Other income		1,023	-	1,023	-	-	-
Loss on impairment of interest in associate		-	(135)	(135)	-	-	-
Loss on disposal of fixed assets		-	(65)	(65)	-	(228)	(228)
Impairment of tangible fixed assets		-	(2,558)	(2,558)	-	(5,485)	(5,485)
OPERATING (LOSS) / PROFIT	4	(4,342)	(2,786)	(7,128)	1,298	(8,181)	(6,883)
Share of operating loss in associates		-	-	-	(26)	-	(26)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(4,342)	(2,786)	(7,128)	1,272	(8,181)	(6,909)
Tax on (loss) / profit on ordinary activities	8	508	732	1,240	(261)	(240)	(501)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(3,834)	(2,054)	(5,888)	1,011	(8,421)	(7,410)

COMPANY PROFIT & LOSS ACCOUNT
for the 50 week period ended 16 August 2020

As permitted by section 408 of the Companies Act 2006, the Company's profit and loss account has not been included in these financial statements.
The company's loss for the 52 week period ended 16 August 2020 was £4,775,000 (50 week period ended 18 August 2019 profit: £9,745,000).

The profit and loss account relates to continuing activities.

The Laine Pub Company Ltd
Period ended 16 August 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the 52 week period ended 16 August 2020

	52 week period ended 16 August 2020 £000	50 week period ended 18 August 2019 £000
Loss for the period	(5,888)	(7,410)
Other comprehensive income:		
Realisation of property valuation gains	(1,317)	(1,099)
Deferred tax from revaluation reserve	181	43
Other comprehensive loss for the period, net of income tax	<u>(1,136)</u>	<u>(1,056)</u>
Total comprehensive (loss) / income for the period	<u><u>(7,024)</u></u>	<u><u>(8,466)</u></u>

The Laine Pub Company Ltd
Period ended 16 August 2020

CONSOLIDATED BALANCE SHEET
as at 16 August 2020

	Notes	16 August 2020 £000	18 August 2019 £000
FIXED ASSETS			
Tangible fixed assets	9	16,793	19,720
Interest in Associate	10	-	135
		<u>16,793</u>	<u>19,855</u>
CURRENT ASSETS			
Stock	12	719	773
Debtors: amounts falling due within one year	13	4,855	12,456
Debtors: amounts falling due after more than one year	13	819	803
Cash at bank and in hand	14	1,477	3,500
		<u>7,870</u>	<u>17,532</u>
CURRENT LIABILITIES			
Creditors: amounts falling due in less than one year	15	(40,763)	(45,546)
		<u>(32,893)</u>	<u>(28,014)</u>
NET CURRENT LIABILITIES			
		(16,100)	(8,159)
TOTAL ASSETS LESS CURRENT LIABILITIES			
PROVISIONS FOR LIABILITIES			
Deferred tax liability	16	-	(788)
Other provisions	17	(1,913)	(2,042)
		<u>(18,013)</u>	<u>(10,989)</u>
NET LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	18	100	100
Revaluation reserve		(414)	906
Profit and loss account		(17,699)	(11,995)
		<u>(18,013)</u>	<u>(10,989)</u>
SHAREHOLDER'S DEFICIT			
		<u>(18,013)</u>	<u>(10,989)</u>

The financial statements were approved and authorised for issue by the board and signed on its behalf on
17 December 2020


E Bashforth

Registered No. 06067476

The Laine Pub Company Ltd
Period ended 16 August 2020

COMPANY BALANCE SHEET
as at 16 August 2020

	Notes	16 August 2020 £000	18 August 2019 £000
FIXED ASSETS			
Investments	10	1,919	2,160
		<u>1,919</u>	<u>2,160</u>
CURRENT ASSETS			
Stock	12	618	706
Debtors: amounts falling due within one year	13	11,558	40,212
Debtors: amounts falling due after more than one year	13	819	803
Cash at bank and in hand	14	1,462	3,024
		<u>14,457</u>	<u>44,745</u>
CURRENT LIABILITIES			
Creditors: amounts falling due in less than one year	15	(39,469)	(65,411)
		<u>(25,012)</u>	<u>(20,666)</u>
NET CURRENT ASSETS/ (LIABILITIES)		<u>(25,012)</u>	<u>(20,666)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(23,093)</u>	<u>(18,506)</u>
NON-CURRENT LIABILITIES			
NET LIABILITIES		<u><u>(23,093)</u></u>	<u><u>(18,506)</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	100	100
Profit and loss account		(23,193)	(18,606)
		<u>(23,093)</u>	<u>(18,506)</u>
SHAREHOLDER'S DEFICIT		<u><u>(23,093)</u></u>	<u><u>(18,506)</u></u>
Company's loss for the year		<u><u>(4,587)</u></u>	<u><u>(9,745)</u></u>

The financial statements were approved and authorised for issue by the board and signed on its behalf on
17 December 2020


E Bashforth

Registered No. 06067476

The Laine Pub Company Ltd
Period ended 16 August 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 52 week period ended 16 August 2020

	Share Capital £000	Revaluation Reserve £000	Profit and Loss Account £000	Total Equity £000
At 31 August 2018	100	2,558	(5,181)	(2,523)
Total losses for the period	-	-	(7,410)	(7,410)
Transfers on disposal of fixed assets	-	(596)	596	-
Realised surplus from impairment	-	(1,099)	-	(1,099)
Deferred tax liability movement	-	43	-	43
At 18 August 2019	<u>100</u>	<u>906</u>	<u>(11,995)</u>	<u>(10,989)</u>
Realised surplus from depreciation	-	(166)	166	-
Deferred tax liability movement	-	181	-	181
Total losses for the period	-	-	(5,888)	(5,888)
Transfers on disposal of fixed assets	-	(18)	18	-
Realised surplus from impairment	-	(1,317)	-	(1,317)
At 16 August 2020	<u><u>100</u></u>	<u><u>(414)</u></u>	<u><u>(17,699)</u></u>	<u><u>(18,013)</u></u>

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

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.

The Laine Pub Company Ltd
Period ended 16 August 2020

COMPANY STATEMENT OF CHANGES IN EQUITY
for the 52 week period ended 16 August 2020

	Share Capital £000	Profit and Loss Account £000	Total Equity £000
At 31 August 2018	100	(8,861)	(8,761)
Total losses for the period	-	(9,745)	(9,745)
At 18 August 2019	<u>100</u>	<u>(18,606)</u>	<u>(18,506)</u>
Total losses for the period	-	(4,587)	(4,587)
At 16 August 2020	<u><u>100</u></u>	<u><u>(23,193)</u></u>	<u><u>(23,093)</u></u>

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

The Profit and Loss Account represents all current and prior periods retained profit and losses after the payment of dividends.

The Laine Pub Company Ltd
Period ended 16 August 2020

CONSOLIDATED CASH FLOW STATEMENT
for the 52 week period ended 16 August 2020

		52 week period ended 16 August 2020 £000	50 week period ended 18 August 2019 £000
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	23	458	4,140
Tax paid		(22)	(423)
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>436</u>	<u>3,717</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible fixed assets	9	(3,946)	(3,273)
Sale of tangible fixed assets		(36)	24
Purchase of subsidiary undertaking	11	<u>-</u>	<u>(3,490)</u>
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(3,982)	(6,739)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing made available to other group undertakings	23	1,523	5,165
NET CASH INFLOW FROM FINANCING ACTIVITIES		<u>1,523</u>	<u>5,165</u>
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS IN THE PERIOD		(2,023)	2,143
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		3,500	1,357
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		<u>1,477</u>	<u>3,500</u>

The Laine Pub Company Ltd
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

1 STATUTORY INFORMATION

The Laine Pub Company 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 General 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 52 week period to 16 August 2020. Following the refinancing in 2018 the board decided that the company's reference period should be aligned with The Vine Acquisitions Group.

The functional currency of The Laine Pub Company Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling.

The Laine Pub Company 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.

Fundamental accounting concept - going concern

The outbreak of Covid-19 casts a high degree of uncertainty as to the future financial performance and cash flows of the group. The implications of this have been considered by the Director's in assessing the ability of the Group to continue as a going concern. During the period, the wider group has made use of support available to businesses during this difficult time under the Coronavirus Job Retention Scheme and has obtained additional support from its principal investors. During the period, the wider group also received various covenant waivers for its existing debt.

The events and future uncertain effect of potential government restrictions on the company and in addition, the ability of the wider group to provide such support, indicates a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

After due consideration the Director's believe that they have a reasonable expectation that the Group 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.

Basis of consolidation

The Group financial statements consolidate the financial statements of the company and its subsidiary undertakings. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of IFRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Fixed asset investments

Investments are stated at cost, less provision for impairment in value. The carrying value of investments is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Investments in subsidiaries

Investments in subsidiaries and associate undertakings are accounted for at cost less impairment in the individual financial statements.

Associates

In the group financial statements, investments in associates are accounted for using the equity method. Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive income of the associate. Goodwill arising on the acquisition of associates is accounted for in accordance with the policy set out above. Any unamortised balance of goodwill is included in the carrying value of the investments in associates.

In the Company financial statements, investments in associates are accounted for at cost less impairment. On disposal of investments in associates, the difference between disposal proceeds and the carrying amount of the investments are recognised in profit and loss account.

The Laine Pub Company Ltd
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

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.

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.

Tangible fixed assets

Tangible Fixed Assets are held at cost less accumulated depreciation.

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

Freehold Property - Straight line over 50 years

Short leasehold - straight line over the lease life

Plant, Machinery, Pictures & Fittings - 14%, 20% & 30% straight line

Revaluation

As a result of the transition 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.

During the year end 16 August 2020 the directors decided to change the method of depreciation for leasehold property only from a sum of digits method to a straight line to bring into line with the parent company.

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, are at least equal to their book values. As a result, the depreciation charged on freehold and long leasehold buildings is nil.

Short leasehold properties - over the lease term

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and when events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A review for indicators of impairment is performed annually. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Any impairment charge is recognised in the profit and loss account in the year in which it occurs. When an impairment loss, other than an impairment loss on goodwill, subsequently reverses due to a change in the original estimate, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, up to the carrying amount that would have resulted, net of depreciation, had no impairment loss been recognised for the asset in prior years.

The Laine Pub Company Ltd
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

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.

Loan notes

The nature of any loan notes is reviewed on issue and treated, depending on their characteristics, as either wholly debt, as compound instruments, consisting of a liability component and an equity component or wholly equity. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of a convertible instrument and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the group, is included in the equity.

Issue costs, if any, are apportioned between the liability and equity components of the convertible loan notes based on their relative carry amounts at the date of issue. The portion relating to the equity component is charged directly against equity.

The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the liability component of the instrument. The difference between this amount and the interest paid is added to the carrying amount of the preference share liability.

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.

Stocks

Stocks are held at the lower cost and net realisable value. Costs include all costs incurred in bringing each product to its current location and condition. Net realisable value is based on estimated selling price less any further anticipated selling costs.

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. Revenue in respect of drink and food sales is recognised at the point at which the goods are provided. All operations take place solely in the United Kingdom.

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 6.

The Laine Pub Company Ltd
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

3 TURNOVER

Turnover represents the amounts derived from the provision of goods and services to third parties which, fall within the company's ordinary activities, stated net of value added tax. Revenue in respect of drink sales is recognised at the point at which the goods are provided. Rents receivable are recognised on a straight-line basis over the lease term. Turnover is derived solely within the United Kingdom.

Turnover includes:

	52 week period ended 16 August 2020 £000	50 week period ended 18 August 2019 £000
Drink and food revenue	30,078	41,772
Rental income	279	2
Other revenue	805	1,233
	<u>31,162</u>	<u>43,007</u>

4 OPERATING (LOSS) / PROFIT

This is stated after charging:

	52 week period ended 16 August 2020 £000	50 week period ended 18 August 2019 £000
Other operating leases	5,281	5,184
Depreciation - owned fixed assets	2,969	2,777
Loss on disposal of fixed assets	65	228
Impairment in associate	135	-
Impairment of tangible fixed assets	2,558	5,485
Furlough income	<u>(1,023)</u>	<u>-</u>

Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure. Grants relating to the job retention scheme are recognised when the requirements are met and recognised in the profit and loss account in the period to which it relates to.

5 AUDITORS' REMUNERATION

	52 week period ended 16 August 2020 £000	50 week period ended 18 August 2019 £000
Fees payable to the company's auditors for other services to the group:		
The auditing of accounts of the Group and all subsidiaries of the company	7	35
Total Audit Fees	<u>7</u>	<u>35</u>
Total Fees Payable	<u>7</u>	<u>35</u>

6 NON-UNDERLYING ITEMS

	52 week period ended 16 August 2020 £000	50 week period ended 18 August 2019 £000
Included within administrative expenses:		
Redundancy and other one-off related costs	157	426
Onerous lease provision	<u>(129)</u>	<u>2,042</u>
	28	2,468
Loss on impairment of associate (note 10)	135	-
Impairment of tangible fixed assets (note 9)	2,558	5,485
Loss on disposal of fixed assets	65	228
Tax (relief) / charge on non-underlying items	<u>(732)</u>	<u>240</u>
	<u>2,054</u>	<u>8,421</u>

The Laine Pub Company Ltd
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

7 EMPLOYEES AND DIRECTORS

	52 week period ended 16 August 2020 £000	50 week period ended 18 August 2019 £000
Wages and salaries	4,974	4,460
Social security costs	412	377
Other pension costs	73	54
	<u>5,459</u>	<u>4,891</u>

The average monthly number of employees during the period was as follows:

	52 week period ended 16 August 2020	50 week period ended 18 August 2019
Management and administration	36	16
Sales	195	120
	<u>231</u>	<u>136</u>

The average monthly number of employees of the Company during the period was as follows:

	52 week period ended 16 August 2020	50 week period ended 18 August 2019
Management and administration	35	16
Sales	184	112
	<u>219</u>	<u>128</u>

	52 week period ended 16 August 2020 £000	50 week period ended 18 August 2019 £000
Directors' remuneration	276	359
Directors' social security	36	50
Directors' pension contributions to money purchase schemes	3	3
	<u>315</u>	<u>412</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	52 week period ended 16 August 2020 £000	50 week period ended 18 August 2019 £000
Emoluments	154	166
Pension Contributions	<u>2</u>	<u>2</u>

The Directors are the key management personnel.

Employees and Director costs for the company

	52 week period ended 16 August 2020 £000	50 week period ended 18 August 2019 £000
Wages and salaries	4,615	1,949
Social Security costs	375	353
Other pension costs	67	51
	<u>5,057</u>	<u>2,353</u>

The Laine Pub Company Ltd
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

8 TAXATION

Tax recognised in the profit and loss account

	52 week period ended 16 August 2020 £000	50 week period ended 18 August 2019 £000
Current tax:		
UK corporation tax	-	393
- adjustments in respect of prior periods	(524)	209
	<u>(524)</u>	<u>602</u>
Deferred tax:		
- timing differences	(497)	(212)
- change in standard rate of tax	-	22
- adjustments in respect of prior periods	(219)	89
	<u>(716)</u>	<u>(101)</u>
Total tax (credit) / charge for the period	<u>(1,240)</u>	<u>501</u>

Tax recognised in other comprehensive income

	52 week period ended 16 August 2020 £000	50 week period ended 18 August 2019 £000
Deferred tax from revaluation reserve	181	43
	<u>181</u>	<u>43</u>

Reconciliation of tax (credit) / charge

	52 week period ended 16 August 2020 £000	50 week period ended 18 August 2019 £000
Loss on ordinary activities before taxation	<u>(7,128)</u>	<u>(6,909)</u>
Current tax at 19.00% (2018: 19.00%)	(1,354)	(1,313)
Effects of:		
Expenses not deductible for tax purposes	790	1,539
Adjustments in respect of prior periods	(743)	298
Effect of tax rate changes	-	22
Group Relief	-	(45)
Current year non-underlying charges	67	-
Total tax (credit) / charge	<u>(1,240)</u>	<u>501</u>

As at 27 September 2019 the substantively enacted rate for deferred tax calculation purposes was 17% and deferred taxation has been calculated at this rate. 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.

The Laine Pub Company Ltd
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

9 TANGIBLE FIXED ASSETS

	Land & buildings £000	Plant, machinery, fixtures & fittings £000	Total £000
Cost or valuation:			
As at 18 August 2019	20,544	18,322	38,866
Additions	-	3,946	3,946
Disposals	(151)	(591)	(742)
As at 16 August 2020	<u>20,393</u>	<u>21,677</u>	<u>42,070</u>
Depreciation:			
As at 18 August 2019	8,548	10,598	19,146
Charge for the year	679	2,290	2,969
Impairment losses	3,875	-	3,875
Disposals	(228)	(485)	(713)
As at 16 August 2020	<u>12,874</u>	<u>12,403</u>	<u>25,277</u>
Net book value:			
As at 16 August 2020	<u>7,519</u>	<u>9,274</u>	<u>16,793</u>
As at 18 August 2019	<u>11,996</u>	<u>7,724</u>	<u>19,720</u>

The split of the net book value of land and buildings is as follows:

	Freehold £000	Short leasehold £000	Total £000
As at 16 August 2020	<u>4,403</u>	<u>3,116</u>	<u>7,519</u>
As at 18 August 2019	<u>4,429</u>	<u>7,567</u>	<u>11,996</u>

The Laine Pub Company Ltd
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

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	26,005
Accumulated depreciation	(8,979)
Net book value at 16 August 2020	<u>17,026</u>
Net book value at 18 August 2019	<u>17,628</u>

Impairment loss

Following an annual impairment review of all property, plant and equipment an impairment of £3,875,000 (18 August 2019: £6,584,000) has been identified.

The Laine Pub Company Ltd
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

10 FIXED ASSET INVESTMENTS

Group:	Investment in associate
	£000
Cost:	
As at 16 August 2020 and 18 August 2019	<u><u>135</u></u>
Impairment:	
As at 18 August 2019	-
Provision for impairment	135
As at 16 August 2020	<u><u>135</u></u>
Net book value:	
As at 16 August 2020	<u><u>-</u></u>
As at 18 August 2019	<u><u>135</u></u>

During the year, the group impaired its investments resulting in an impairment of £135,000.

Company:	Investment in Subsidiaries
	£000
Cost:	
As at 16 August 2020 and 18 August 2019	<u><u>12,277</u></u>
Impairment:	
As at 18 August 2019	10,117
Provision for impairment	241
As at 16 August 2020	<u><u>10,358</u></u>
Net book value:	
As at 16 August 2020	<u><u>1,919</u></u>
As at 18 August 2019	<u><u>2,160</u></u>

During the year, the company impaired its investments resulting in an impairment of £214,000.

Held directly:

The Laine Brewing Company Limited	Brewery	United Kingdom
Smithy Inns Limited	Pub operating company	United Kingdom
Zelgrain Limited	Property leasing company	United Kingdom
C-Side (Holdings) Limited	Non-trading company	United Kingdom
C-Side Limited	Non-trading company	United Kingdom

Details of the associate company, in which the 49% shareholdings is in ordinary shares, is as follows:

Associate Company:

Mash Inns Limited	Pub operating company	United Kingdom
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The registered office of the above companies (except for Mash Inns Limited) is 146 Springfield Road, Brighton, BN1 6BZ.

The registered office of Mash Inns Limited is 3 Monkspath Hall Road, Solihull, West Midlands, United Kingdom, B90 4SJ.

The Laine Pub Company Ltd
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

11 ACQUISITIONS OF SUBSIDIARIES

In the prior year, on 30 April 2019, the Laine Pub Company Limited (the Company) completed the purchase of 100% of the share capital of Smithy Inns Limited for total costs of £3,490,000. A summary of the carrying value of the assets against the fair value of the assets acquired is summarised below.

Balance Sheet	Carrying value	Fair value
	2019	2019
	£000	£000
Property, plant and equipment	2,466	3,490
Inventories	31	31
Trade and other receivables	59	59
Cash and cash equivalents	185	185
Trade and other payables	(296)	(275)
Total	2,445	3,490
Cost of acquisition		
Cash paid		3,490
Total cost of acquisition		3,490

The Laine Pub Company Ltd
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

12	STOCKS	Group		Company	
		2020	2019	2020	2019
		£000	£000	£000	£000
	Finished goods	<u>719</u>	<u>773</u>	<u>618</u>	<u>706</u>
	Finished goods recognised as cost of sales in the financial period for the group amounted to £9,318,000 (2019: £11,151,000) and for the company amounted to £8,436,000 (2019: £11,477,000).				
13	DEBTORS	Group		Company	
		2020	2019	2020	2019
		£000	£000	£000	£000
	Amounts falling due in less than one year:				
	Trade debtors	133	306	-	12
	Other debtors	171	124	171	6
	Amounts due from group undertakings	3,138	8,464	10,076	36,803
	Prepayments and accrued income	1,304	3,562	1,297	3,379
	Deferred tax asset (note 16)	109	-	14	12
		<u>4,855</u>	<u>12,456</u>	<u>11,558</u>	<u>40,212</u>
	Amounts falling due after more than one year:				
	Loans due from group undertakings	175	-	175	-
	Lease deposits	644	803	644	803
		<u>819</u>	<u>803</u>	<u>819</u>	<u>803</u>
14	CASH AND CASH EQUIVALENTS	Group		Company	
		2020	2019	2020	2019
		£000	£000	£000	£000
	Cash at bank and in hand	<u>1,477</u>	<u>3,500</u>	<u>1,462</u>	<u>3,024</u>
		<u>1,477</u>	<u>3,500</u>	<u>1,462</u>	<u>3,024</u>
15	CREDITORS: amounts falling due in less than one year	Group		Company	
		2020	2019	2020	2019
		£000	£000	£000	£000
	Amounts owed to group undertakings	35,159	38,787	36,067	59,499
	Trade creditors	3,585	3,728	1,757	3,578
	Other creditors	3	1	3	-
	Accruals and deferred income	1,638	1,198	1,206	1,189
	Social security and other taxes	108	1,016	245	964
	Corporation tax	270	816	191	181
		<u>40,763</u>	<u>45,546</u>	<u>39,469</u>	<u>65,411</u>

The Laine Pub Company Ltd
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

16 DEFERRED TAX

	Group		Company	
	2020	2019	2020	2019
	£000	£000	£000	£000
(Liabilities) / assets at the beginning of the period	(788)	(932)	12	15
Credited / (charged) to profit and loss account	716	190	2	(3)
Adjustment in respect of prior periods	-	(89)	-	-
Credited to other comprehensive income	181	43	-	-
	<u>109</u>	<u>(788)</u>	<u>14</u>	<u>12</u>

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

Deferred tax (liabilities) / assets for the group

	Accelerated capital allowances £000
At 31 August 2018	(932)
Credited to profit and loss account	101
Credited to equity	43
At 18 August 2019	<u>(788)</u>
Credited to profit and loss account	716
Credited to equity	181
At 16 August 2020	<u>109</u>

Deferred tax assets for the company

	Accelerated capital allowances £000
At 31 August 2018	15
Charged to profit and loss account	<u>(3)</u>
At 18 August 2019	12
Credited to profit and loss account	2
At 16 August 2020	<u>14</u>

The Laine Pub Company Ltd
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

17 PROVISIONS FOR LIABILITIES

	Property leases £000
As at 18 August 2019	2,042
Utilised during the period	(465)
Unwinding of discount effect of provisions	123
Charged direct to profit and loss account	213
As at 16 August 2020	<u>1,913</u>

The vacant leasehold provision has been set up to cover the operating costs of the vacant properties. The provision covers the expected shortfall between rents payable and rental income together with any operating costs.

The Laine Pub Company Ltd
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

18 SHARE CAPITAL

	2020 No.	2020 £	2019 No.	2019 £
<i>Allotted, called up and fully paid:</i>				
Ordinary 'A' shares of £1 each	62,000	62,000	62,000	62,000
Ordinary 'B' shares of £1 each	25,000	25,000	25,000	25,000
Ordinary 'C' shares of £1 each	13,000	13,000	13,000	13,000
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

On incorporation the authorised share capital of the company was £100,000 comprising 100,000 ordinary shares of £1 each, split into classes of 'A', 'B' and 'C' ordinary shares as described above.

Particulars of the rights of each class of share are as follows:

Dividends: any dividend paid shall belong to and be paid to the shareholders (pari passu) in proportion to the number of shares held by them.

Capital: on a winding up of the company or on a reduction or return of capital, the assets of the company remaining after the settlement of its debts and costs of winding up or reduction or return of capital shall be applied by distributing the balance amongst the ordinary shareholders, in proportion to the number of equity shares held by them and as if they were all holders of shares of the same class

Voting: shares rank pari passu

The Laine Pub Company Ltd
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

19 FINANCIAL COMMITMENTS

At 16 August 2020 the group had annual commitments under non-cancellable operating leases as set out below:

Land and buildings

	2020	2019
	£000	£000
Less than one year	5,466	5,830
Between one and five years	21,484	22,992
More than five years	54,546	64,419
	<u>81,496</u>	<u>93,241</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.

20 POST BALANCE SHEET EVENTS

In response to rising Covid-19 case numbers, the Government announced the closure of all hospitality venues (including pubs) in England for on premises consumption for four weeks from Thursday 5 November until Wednesday 2 December. Different measures to address the rising Covid-19 case numbers were implemented in Wales and Scotland.

21 ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is The Laine Bidco 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.

The smallest group in which the results of the company are consolidated is that headed by VAL Seagull Bidco Limited, a company registered in England & Wales.

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.

Copies of the financial statements of Vine Acquisitions Limited are available from Companies House.

The Laine Pub Company Ltd
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

22 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption under the terms of Section 33 of the 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.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

During the year, the group paid rent of £80,000 (2019: £74,400) to a company under common directorship. No amount was outstanding at the year end (2019: £nil).

Summarised financial information for associate

	30 September 2019 £000	30 September 2018 £000
Associate - Mash Inns Limited		
Current assets	388	238
Non-current assets	1,563	1,496
Current liabilities	(1,756)	(1,484)
Non-current liabilities	(2)	-
Net assets	193	250
Revenue	2,244	1,430
Loss after taxation from continuing operations	(57)	(57)

The Laine Pub Company Ltd
Period ended 16 August 2020

NOTES TO THE CASH FLOW STATEMENT
for the 52 week period ended 16 August 2020

23 RECONCILIATION OF (LOSS) / PROFIT BEFORE TAXATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	52 week period ended 16 August 2020 £000	50 week period ended 18 August 2019 £000
Loss before taxation	(7,128)	(6,909)
Depreciation	2,969	2,777
Loss on disposal of Fixed Assets	65	228
Share of associate loss	-	26
Loss on impairment of associate	135	-
Loss on impairment of tangible fixed assets	2,558	5,485
Decrease in stocks	54	2
Decrease / (increase) in debtors	2,434	(3,674)
(Decrease) / increase in creditors	(629)	6,205
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>458</u>	<u>4,140</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	52 week period ended 16 August 2020 £000	50 week period ended 18 August 2019 £000
(Decrease) / increase in cash in the period	(2,023)	2,143
Cash inflow from change in debt financing	(1,523)	(5,165)
Change in net debt resulting from cash flows	<u>(3,546)</u>	<u>(3,022)</u>
Movement in net debt	(3,546)	(3,022)
Net debt at beginning of period	(26,823)	(23,801)
Net debt at end of period	<u>(30,369)</u>	<u>(26,823)</u>

ANALYSIS OF CHANGES IN NET DEBT

	18 August 2019 £000	Cash flow £000	Other non- cash changes £000	16 August 2020 £000
Cash at bank and in hand	3,500	(2,023)	-	1,477
Loans owed to other companies in the Val Seagull Bidco Limited group	(30,323)	(1,523)	-	(31,846)
	<u>(26,823)</u>	<u>(3,546)</u>	<u>-</u>	<u>(30,369)</u>