

GLENDOLA LEISURE (HOLDINGS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 27 MARCH 2021

GLENDOLA LEISURE (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors

P N Salussolia
C Salussolia
G J Ramsay FCA
A Salussolia
L Salussolia
F Boorman
N Salussolia

Company secretary

G J Ramsay FCA

Registered number

04324211

Registered office

364 High Street
Harlington Heathrow
Hayes
UB3 5LF

Independent auditors

Elman Wall Limited
Chartered Accountants & Statutory Auditor
8th Floor
Becket House
36 Old Jewry
London
EC2R 8DD

GLENDOLA LEISURE (HOLDINGS) LIMITED

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GLENDOLA LEISURE (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 27 MARCH 2021

Introduction

The principal activities of Glendola Leisure (Holdings) Limited (the "company") and its subsidiaries (together the "group") continued to be the management and operation of licensed premises and restaurants and the provision of management services ancillary thereto.

Business review

The results of the group are shown on page 10 of the financial statements. The impact of Covid 19 on the operations has been unprecedented and led the directors to rationalise its business and exit from some underperforming businesses. Having decided to streamline the group structure, the directors' transferred a number of its businesses from subsidiary companies to Glendola Leisure (Holdings) Limited. The group also disposed of a number of underperforming assets during the year which led to a significant impairment of its fixed assets in the prior year accounts. These operations had an operating loss of £887,000 and a net loss £1,350,000.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 27 MARCH 2021**

Principal risks and uncertainties

Credit, Interest rate and Liquidity Risk

The group manages a variety of financial risks including interest rate, liquidity and credit risk. Fluctuations in the interest rates affects the group's reported results. It is the group's goal to mitigate the effects of interest rate movements on profit, equity and cash flow. Whenever possible the group tries to establish this by creating natural hedges and by matching assets and liabilities. When natural hedges are not available the group seeks to use financial instruments. For this propose, hedging ranges have been identified and strict policies and governance are in place to cover the program, including authorisation procedures.

Long term strategies and annual business plans are formulated to ensure that the financial covenants can be met and monitored on a regular basis. Working capital requirements are also regularly reviewed and closely managed to sure there are sufficient cashflows available for the group.

The group maintains significant cash balances in order to mitigate any potential liquidity risk. It also has significant unutilised group borrowing facilities.

The group has a large number of customers and maintains tight credit control at each of its operations in order to mitigate its credit risk.

Section 172 Statement

The group is a family-owned business and tries to instil this culture throughout the business. The shareholders have not looked to achieve any minimum rates of return but rather have sought to develop iconic businesses for the local market in which they operate. They aim to make the businesses local heroes in their market. The directors aim to create businesses that exceed the sum of their parts.

Businesses are developed in an ad hoc manner as opportunities present themselves. The group, together with its sister company, has sought to develop a well-balanced portfolio to mitigate the various risks. This has resulted in the wider group having a balanced portfolio between freehold and leasehold, Europe and the UK, hotels and pubs. Over recent years the group has acquired more freeholds compared to leaseholds and this has seen a shift from its operational to financial gearing. This allows the directors to have greater flexibility to fight the Covid-19 pandemic. The directors have made decisions before and after the year end to rationalise the business to allow it to achieve these aims in the long term.

The wide range of operations has allowed the group to develop a unique skill set with its employees. The directors and management team spend lots of time at the businesses and competitors to properly engage with all of its staff and other stakeholders.

Trading and Economic Risk

The level of economic activity in the UK continues to have a significant influence on the profitability of the group. The emergence of Covid-19 around the world, presents significant risks and uncertainties to the group, including the impact of current and future government or local authorities' restrictions to trading. The situation surrounding Covid-19 remains fluid, and the potential for a material impact on the Group increases the longer the virus impacts the level of economic activity in the United Kingdom. Controls in the form of budgets, forecasting and competitor analysis are regularly analysed to ensure that the group is taking a pro-active stance in combatting any issues that should arise.

The group is also exposed to pressures arising from increasing costs from suppliers, increases in alcohol duty, and changes to government policies affecting the minimum wage, VAT and corporation tax.

GLENDOLA LEISURE (HOLDINGS) LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 27 MARCH 2021**

Financial key performance indicators

The group's key performance indicators can be reviewed as follows:

	2021 £000	2020 £000	Movement £000	%
£000's				
Turnover	2,871	39,270	(36,399)	(93)
Operating loss	(3,352)	(7,567)	4,215	56
Loss before tax	(3,807)	(7,988)	4,181	52
EBITDA	(1,711)	3,026	(4,737)	(157)
Net Debt: EBITDA	<u>(11)</u>	<u>5</u>	<u>-</u>	<u>-</u>

The above loss before taxation includes impairments totalling £nil (2020: £7,960,000).

The group has complied with all of its bank covenants throughout the year.

The group successfully renewed its financing, in July 2020, with the new facility for £26,700,000 expiring in December 2021.

Additional facilities of £6,000,000 expiring in July 2023 were attained as part of this refinancing, therefore, giving the group and its related parties access to total financing of £32,700,000.

In May 2021 the group extended the expiry date of the main facility of £26,700,000 to July 2023. In addition the CLBILS facility was increased from £6,000,000 to £8,000,000 giving the group access to total funding of £34,700,000.

Directors' statement of compliance with duty to promote the success of the Group

The directors have sought to put the group on a financially stable position coming out of the pandemic and believes it is well positioned to take further opportunities in the future.

This report was approved by the board and signed on its behalf.

G J Ramsay FCA

Director

Date: 30 December 2021

GLENDOLA LEISURE (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 27 MARCH 2021

The directors present their report and the financial statements for the period ended 27 March 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group 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 for the Group's financial statements and then apply them consistently;
- make judgments 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 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activities of Glendola Leisure (Holdings) Limited (the 'Company') and its subsidiaries (together the 'Group') continued to be operation and management of licensed premises and restaurants and the provision of management services ancillary thereto.

Dividends

The directors declared and paid a final dividend of £nil (2020: £150,000) in the period for the 52 week period ended 27 March 2021.

Directors

The directors who served during the period were:

P N Salussolia
C Salussolia
G J Ramsay, FCA
A Salussolia
L Salussolia
F Boorman
N Salussolia

GLENDOLA LEISURE (HOLDINGS) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 27 MARCH 2021**

Disabled persons

The Group's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Consideration is given to appropriate training and career development prospects for those who are or become disabled.

Employee involvement

Regular meetings are held between senior management and employees to discuss the performance of the group, and to encourage employees' further development.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Group has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as its energy consumption in the United Kingdom for the period is 40,000kWh or lower.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, Elman Wall Limited, will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

G J Ramsay FCA

Director

Date: 30 December 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLENDOLA LEISURE (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Glendola Leisure (Holdings) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 27 March 2021, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 of the parent Company's affairs as at 27 March 2021 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the Company's ability to continue as a going concern. Whilst the Company reported a loss for the year ended 27 March 2021, as of that date, Company's current assets exceeded its current liabilities. We draw your attention to Note 2.2. The financial statements do not include any adjustments that would result from a failure to continue as a 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 or the 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLENDOLA LEISURE (HOLDINGS) LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLENDOLA LEISURE (HOLDINGS) LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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 Group financial statements

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- 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 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 bias.

Owing to the inherent limitations of an audit there is unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. In addition as with any audit there remained a higher risk of non-detection of irregularities as these may involve collusion, forgery, intentional omissions, misrepresentation or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 Auditors' Report.

Other matters

The financial statements of Glendola Leisure (Holdings) Limited for the period ended 28 March 2020, were audited by another auditor who expressed an unqualified audit opinion on those statements on 16th December 2020.

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 Auditors' 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.

Karanjit Gill (Senior statutory auditor)

for and on behalf of

Elman Wall Limited

Chartered Accountants
Statutory Auditor

8th Floor
Becket House
36 Old Jewry
London
EC2R 8DD

30 December 2021

GLENDOLA LEISURE (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021**

	Note	2021 £000	2020 £000
Turnover	4	2,871	39,270
Cost of sales		(4,662)	(17,884)
Gross (loss)/profit		<u>(1,791)</u>	<u>21,386</u>
Administrative expenses		(7,932)	(29,571)
Other operating income	5	6,371	618
Operating loss	6	<u>(3,352)</u>	<u>(7,567)</u>
Profit on disposal of fixed assets		-	21
Interest receivable and similar income	11	-	1
Interest payable and similar expenses	12	(455)	(443)
Loss before taxation		<u>(3,807)</u>	<u>(7,988)</u>
Tax on loss	13	(236)	(231)
Loss for the financial period		<u>(4,043)</u>	<u>(8,219)</u>
(Loss) for the period attributable to:			
Non-controlling interests		20	(74)
Owners of the parent Company		(4,063)	(8,145)
		<u>(4,043)</u>	<u>(8,219)</u>

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

The notes on pages 23 to 52 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 27 MARCH 2021

	Note	27 March 2021 £000	28 March 2020 £000
Fixed assets			
Intangible assets	15	1,628	1,975
Tangible assets	16	38,184	39,289
		<u>39,812</u>	<u>41,264</u>
Current assets			
Stocks	18	328	720
Debtors: amounts falling due within one year	19	1,462	1,163
Cash at bank and in hand	20	95	3,399
		<u>1,885</u>	<u>5,282</u>
Creditors: amounts falling due within one year	21	(10,268)	(27,311)
Net current liabilities		<u>(8,383)</u>	<u>(22,029)</u>
Total assets less current liabilities		<u>31,429</u>	<u>19,235</u>
Creditors: amounts falling due after more than one year	22	(16,112)	-
Provisions for liabilities			
Deferred taxation	24	(2,244)	(2,097)
		<u>(2,244)</u>	<u>(2,097)</u>
Net assets		<u><u>13,073</u></u>	<u><u>17,138</u></u>
Capital and reserves			
Called up share capital	25	158	158
Share premium account	26	85	85
Revaluation reserve	26	2,173	2,187
Capital redemption reserve	26	87	87
Cash flow hedge reserve	26	(125)	(117)
Merger reserve	26	(208)	(208)
Profit and loss account	26	11,068	15,131
Equity attributable to owners of the parent Company		<u>13,238</u>	<u>17,323</u>
Non-controlling interests		(165)	(185)
		<u><u>13,073</u></u>	<u><u>17,138</u></u>

GLENDOLA LEISURE (HOLDINGS) LIMITED
REGISTERED NUMBER: 04324211

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 27 MARCH 2021

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

G J Ramsay FCA

Director

Date: 30 December 2021

The notes on pages 23 to 52 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 27 MARCH 2021

	Note	27 March 2021 £000	28 March 2020 £000
Fixed assets			
Intangible assets	15	1,721	1,936
Tangible assets	16	38,815	39,553
Investments	17	5,146	10,695
		45,682	52,184
Current assets			
Stocks	18	162	266
Debtors: amounts falling due within one year	19	4,901	4,174
Cash at bank and in hand	20	72	-
		5,135	4,440
Creditors: amounts falling due within one year	21	(17,057)	(35,251)
		(11,922)	(30,811)
Net current liabilities			
		(11,922)	(30,811)
Total assets less current liabilities			
		33,760	21,373
Creditors: amounts falling due after more than one year	22	(16,112)	-
Provisions for liabilities			
Deferred taxation	24	(1,955)	(1,750)
		(1,955)	(1,750)
Net assets			
		15,693	19,623
Difference to be cleared			
		(1)	
Capital and reserves			
Called up share capital	25	158	158
Share premium account	26	85	85
Capital redemption reserve	26	87	87
Cash flow hedge reserve	26	(125)	(117)
Profit and loss account	26	15,487	19,410
		15,692	19,623

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

GLENDOLA LEISURE (HOLDINGS) LIMITED
REGISTERED NUMBER: 04324211

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 27 MARCH 2021

G J Ramsay FCA
Director

Date: 30 December 2021

The notes on pages 23 to 52 form part of these financial statements.

GLENDOLA LEISURE (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021**

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Revaluation reserve £000	Other reserves £000	Merger reserve £000	Profit and loss account £000	Equity attributable to owners of parent Company £000	Controlling interests £000	Total equity £000
At 29 March 2020	158	85	87	2,187	(117)	(208)	15,131	17,323	(185)	17,138
Comprehensive income for the period	-	-	-	-	-	-	(4,063)	(4,063)	20	(4,043)
Loss for the period										
Surplus on revaluation of freehold property	-	-	-	-	-	-	2,178	2,178	-	2,178
Deficit on revaluation of other fixed assets	-	-	-	(14)	-	-	(2,178)	(2,192)	-	(2,192)
Net change in fair value of cash flow hedges recycled to profit or loss	-	-	-	-	(8)	-	-	(8)	-	(8)
Other comprehensive income for the period	-	-	-	(14)	(8)	-	-	(22)	-	(22)
At 27 March 2021	<u>158</u>	<u>85</u>	<u>87</u>	<u>2,173</u>	<u>(125)</u>	<u>(208)</u>	<u>11,068</u>	<u>13,238</u>	<u>(165)</u>	<u>13,073</u>

GLENDOLA LEISURE (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021**

The notes on pages 23 to 52 form part of these financial statements.

GLENDOLA LEISURE (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020**

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Revaluation reserve £000	Cash flow hedge reserve £000	Merger reserve £000	Profit and loss account £000	Equity attributable to owners of parent Company £000	Controlling interests £000	Total equity £000
At 1 April 2019	158	85	87	23	(86)	(208)	23,407	23,466	(111)	23,355
Comprehensive income for the period	-	-	-	-	-	-	(8,145)	(8,145)	(74)	(8,219)
Loss for the period										
Revaluation of freehold property	-	-	-	-	-	-	2,178	2,178	-	2,178
Difference between historical cost depreciation charge and actual	-	-	-	2,164	-	-	(2,164)	-	-	-
Net change in fair value of cash flow hedges recycled to profit or loss	-	-	-	-	(31)	-	-	(31)	-	(31)
Income tax	-	-	-	-	-	-	5	5	-	5
Other comprehensive income for the period	-	-	-	2,164	(31)	-	19	2,152	-	2,152
Dividends: Equity capital	-	-	-	-	-	-	(150)	(150)	-	(150)

GLENDOLA LEISURE (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

	<u>158</u>	<u>85</u>	<u>87</u>	<u>2,187</u>	<u>(117)</u>	<u>(208)</u>	<u>15,131</u>	<u>17,323</u>	<u>(185)</u>	<u>17,138</u>
At 28 March 2020)))	

The notes on pages 23 to 52 form part of these financial statements.

GLENDOLA LEISURE (HOLDINGS) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021**

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 29 March 2020	158	85	87	(117)	19,410	19,623
Comprehensive income for the period	-	-	-	-	1,627	1,627
Profit for the period						
Deficit on revaluation of other fixed assets	-	-	-	-	(5,550)	(5,550)
Net change in fair value of cash flow hedges recycled to profit or loss	-	-	-	(8)	-	(8)
Total comprehensive income for the period	-	-	-	(8)	(3,923)	(3,931)
Total transactions with owners	-	-	-	-	-	-
At 27 March 2021	<u>158</u>	<u>85</u>	<u>87</u>	<u>(125)</u>	<u>15,487</u>	<u>15,692</u>

The notes on pages 23 to 52 form part of these financial statements.

GLENDOLA LEISURE (HOLDINGS) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020**

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Revaluation reserve £000	Cash flow hedge reserve £000	Profit and loss account £000	Total equity £000
At 1 April 2019	158	85	87	463	(86)	25,988	26,695
Comprehensive income for the period	-	-	-	-	-	(6,433)	(6,433)
Loss for the period							
Revaluation of investment	-	-	-	(463)	-	-	(463)
Net change in fair value of cash flow hedges recycled to profit or loss	-	-	-	-	(31)	-	(31)
Income tax on comprehensive income	-	-	-	-	-	5	5
Total comprehensive income for the period	-	-	-	(463)	(31)	(6,428)	(6,922)
Dividends paid	-	-	-	-	-	(150)	(150)
At 28 March 2020	<u>158</u>	<u>85</u>	<u>87</u>	<u>-</u>	<u>(117)</u>	<u>19,410</u>	<u>19,623</u>

The notes on pages 23 to 52 form part of these financial statements.

GLENDOLA LEISURE (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021**

	27 March 2021 £000	28 March 2020 £000
Cash flows from operating activities		
Loss for the financial period	(4,043)	(8,219)
Adjustments for:		
Amortisation of intangible assets	347	347
Depreciation of tangible assets	1,426	2,357
Impairments of fixed assets	-	7,868
Loss on disposal of tangible assets	-	(21)
Government grants	(4,357)	-
Interest paid	455	443
Interest received	-	(1)
Taxation charge	236	231
Decrease in stocks	392	82
Decrease in debtors	708	939
(Decrease) in creditors	(1,736)	(713)
Corporation tax (paid)	(4)	(730)
Net cash generated from operating activities	(6,576)	2,583
Cash flows from investing activities		
Purchase of intangible fixed assets	(321)	-
Revaluation reserve movement	-	(1,992)
Sale of tangible fixed assets	-	21
Government grants received	4,356	-
Interest received	-	1
Net cash from investing activities	4,035	(1,970)
Cash flows from financing activities		
New secured loans	3,200	4,000
Repayment of loans	-	(2,352)
Dividends paid	-	(150)
Interest paid	(455)	(443)
Net cash used in financing activities	2,745	1,055
Net increase in cash and cash equivalents	204	1,668
Cash and cash equivalents at beginning of period	(109)	(1,777)
Cash and cash equivalents at the end of period	95	(109)

GLENDOLA LEISURE (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 27 MARCH 2021

	27 March 2021 £000	28 March 2020 £000
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	95	3,399
Bank overdrafts	-	(3,508)
	<u>95</u>	<u>(109)</u>

The notes on pages 23 to 52 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

1. General information

Glendola Leisure (Holdings) Limited is a company limited by shares and incorporated and domiciled in England & Wales in the UK.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 27 March 2020. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

In the parent financial statements, investments in subsidiaries, are carried at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

2. Accounting policies (continued)

2.3 Going concern

Notwithstanding the group's loss for the financial year of £9,603,000 (2020: loss of £8,219,000) and net current liabilities of £8,383,000 (2020: £21,551,000) the financial statements have been prepared on a going concern basis, which the Directors consider to be appropriate for the following reasons.

Funding for Glendola Leisure Holdings Limited and subsidiaries (together "the UK Group") entities is provided under facilities with Barclays, which expire in July 2023. The UK Group successfully arranged new facilities in July 2020 and May 2021, which expire on 17 July 2023. The UK facilities have certain liquidity and loan to value financial covenant requirements that must be met in order to for the facilities to continue.

The emergence of the coronavirus (COVID-19) around the world, presents significant risks and uncertainties to the Group, not all of which the Group is able to fully foresee at the time of approval of these financial statements. The directors will continue to actively monitor the situation and may take further actions that alter the Group's business operations and performance. These actions may result from requirements mandated by the government or local authorities or that we determine to be in the best interests of our employees, customers, and other stakeholders. The situation surrounding COVID-19 remains fluid, and the potential for a material impact on the Group increases the longer the virus impacts the level of economic activity in the United Kingdom and globally.

Since the emergency of COVID-19, management have taken various actions and received government support to improve the financial position of the Group. The Directors undertook a review of each site's historic and forecast performance and brought forward the decision to exit some sites which were under-performing. Whilst the disposal of sites did not result in any significant sale proceeds flowing into the business, the disposals will improve the operating cashflows going forward due to the historic underperformance of these sites. The Group has already applied for the various government support available to them including the furlough scheme for employees, eat out to help out, business closure fund, hotel support programme, reduced business rates and delaying tax payments. Furthermore, the Group was able to agree reduced rent for part of the year ending March 2021.

The directors have considered the impact of the COVID-19 outbreak on the Group's results, its financial position and its longer-term viability. They have prepared forecasts for the UK group for the period to March 2025, including a severe but plausible downside scenario, which are based on the trading of the group throughout and after the previous lockdown. Both the base case and the severe but plausible downside scenarios show that the group have adequate cash resources throughout the forecast period. The Directors have also considered the impact of the lockdown measures which were initiated in November 2020 and do not consider that these will have a significant impact on the forecasts already prepared, due to the additional government support that has been announced and the actions that have already been taken by the group following the first lockdown to reduce costs.

In respect of both the base case and the severe but plausible downside case, the covenants attached to the UK banking facilities are expected to be met throughout the forecast period.

The Directors continually evaluate opportunities to obtain, retire, or restructure the Group or financing arrangements for strategic reasons to further strengthen the Group's financial position. As of 29 November 2021, the UK Group had £12,627,000 of liquidity, consisting of cash on hand of £4,327,000 and undrawn facilities of £8,300,000.

The Directors have considered the information described herein and have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. Thus, the company

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

2. Accounting policies (continued)

2.3 Going concern (continued)

continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 Revenue

The Group is principally engaged in one class of business, that of operating and managing restaurants and licensed premises and the provision of management services ancillary thereto. Turnover is derived wholly from retail operations in the UK and is recognised, excluding VAT, as the services are provided.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Government grants

Government grants are included within the balance sheet and credited to the profit and loss account over the periods in which the related costs are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

2. Accounting policies (continued)

2.8 Interest receivable and interest payable

Interest income is recognised in profit or loss using the effective interest method.

Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 Intangible assets

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Amortisation

Goodwill is amortised on a straight line basis over the useful life of the asset it relates to. This has been assessed as 10 years from the date of transition. Goodwill has no residual value.

- The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

- Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired .

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

2. Accounting policies (continued)

2.14 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- Over the life of the lease
Fixtures and fittings	- 10% to 33.33% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.15 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

2. Accounting policies (continued)

2.16 Impairment of fixed assets and goodwill

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

2. Accounting policies (continued)

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.18 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

2.19 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.20 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.21 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

2. Accounting policies (continued)

2.23 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses .

Investments in preference and ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

2. Accounting policies (continued)

2.23 Financial instruments (continued)

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

In accordance with FRS 102.22, financial instruments issued by the group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

2.24 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

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

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

Critical accounting judgements in applying the Company's accounting policies:

Goodwill

Goodwill is measured by taking the difference between the net asset value of the assets acquired and the consideration paid.

Deferred taxation

In accordance with FRS 102 the group provides for deferred taxation on all capital gains tax rolled over and any revaluations. It is currently not the directors' intention to dispose of any of these assets.

Hedge accounting

As part of its risk management the group enters into interest rate swaps. It seeks to match these up to the future borrowing costs of the business. Accordingly, the group uses hedge accounting where appropriate.

Tangible assets

Tangible assets are assessed for impairment at the end of each reporting period. Reviews of indicators of impairment and impairment assessments of our tangible assets are judgmental, and involve estimates in particular in relation to the future cash flows of the sites.

4. Turnover

The Group is principally engaged in one class of business, that of operating and managing restaurants and licensed premises and the provision of management services ancillary thereto. Turnover is derived wholly from retail operations in the UK.

GLENDOLA LEISURE (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021**

5. Other operating income

	2021 £000	2020 £000
Other operating income	643	-
Net rents receivable	475	514
Insurance claims received	897	-
Grant income	4,356	104
	<u>6,371</u>	<u>618</u>

6. Operating loss

The operating loss is stated after charging:

	2021 £000	2020 £000
Depreciation	1,426	2,265
Amortisation	347	347
Impairment expense	-	7,960
Operating leases	409	1,885
Profit on disposal of fixed assets	<u>-</u>	<u>(21)</u>

7. Auditors' remuneration

	2021 £000	2020 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>69</u>	<u>32</u>

Fees payable to the Group's auditor and its associates in respect of:

Other services relating to taxation	<u>9</u>	<u>21</u>
	<u>9</u>	<u>21</u>

GLENDOLA LEISURE (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021**

8. Employees

Staff costs were as follows:

	Group	Group	Company	Company
	2021	2020	2021	2020
	£000	£000	£000	£000
Wages and salaries	5,879	10,392	3,820	5,259
Social security costs	377	727	254	378
Cost of defined contribution scheme	81	132	54	65
	<u>6,337</u>	<u>11,251</u>	<u>4,128</u>	<u>5,702</u>

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

	2021	2020
	No.	No.
Management	25	26
Administration	6	7
Operational staff	339	592
	<u>370</u>	<u>625</u>

The Company has no employees other than the directors, who did not receive any remuneration (2020 - £NIL)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

9. Directors remuneration

	2021 £000	2020 £000
Emoluments:		
Remuneration for management services	174	330
Other pension costs	4	4
	<u>178</u>	<u>334</u>
Emoluments of the highest paid director were:		
Remuneration for management services	174	330
Other pension costs	4	4
	<u>178</u>	<u>334</u>

The other directors were remunerated by the Foundation Group of Companies Limited, which is a related party due to common ultimate shareholders. Their fees are estimated at £354,000 (2020: £348,000), which are recharged through the management fee.

10. Income from investments

	2021 £000	2020 £000
Income from fixed asset investments	-	(21)
	<u>-</u>	<u>(21)</u>

11. Interest receivable

	2021 £000	2020 £000
Bank interest	<u>-</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

12. Interest payable and similar expenses

	2021 £000	2020 £000
Finance lease and commercial loan interest	455	443
	<u>455</u>	<u>443</u>

13. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	-	191
Adjustments in respect of previous periods	1,104	(125)
	<u>1,104</u>	<u>66</u>
Total current tax	<u>1,104</u>	<u>66</u>
Deferred tax		
Origination and reversal of timing differences	(1,360)	47
Changes to tax rates	492	93
Adjustments for prior period	-	25
	<u>(868)</u>	<u>165</u>
Total deferred tax	<u>(868)</u>	<u>165</u>
Taxation on profit on ordinary activities	<u>236</u>	<u>231</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

13. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	2021 £000	2020 £000
Loss on ordinary activities before tax	<u>(3,807)</u>	<u>(7,988)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	-	(1,518)
Effects of:		
Expenses not deductible for tax purposes	35	2,087
Capital allowances for period in excess of depreciation	351	2,181
Utilisation of tax losses	226	-
Rollover relief on profit on disposal of fixed assets	-	72
Adjustments to tax charge in respect of prior periods	1,132	(161)
Adjustment to tax charge in respect of prior periods - deferred tax	(156)	26
Non-taxable income	(1,064)	(599)
Other differences leading to an increase (decrease) in the tax charge	(34)	(1,952)
Remeasurement of deferred tax	(254)	93
Revaluation transfer	-	2
Total tax charge for the period	<u>236</u>	<u>231</u>

Factors that may affect future tax charges

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will reduce the company's future current tax charge accordingly. The deferred tax assets/liabilities at 27 March 2021 has been calculated based on these rates.

14. Dividends

	2021 £000	2020 £000
Dividends	-	150
	<u>-</u>	<u>150</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

15. Intangible assets

Group

	Goodwill £000
Cost	
At 29 March 2020	4,079
At 27 March 2021	<u>4,079</u>
Amortisation	
At 29 March 2020	2,104
Charge for the period on owned assets	347
At 27 March 2021	<u>2,451</u>
Net book value	
At 27 March 2021	<u>1,628</u>
At 28 March 2020	<u>1,975</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

15. Intangible assets (continued)

Company

	Goodwill £000
Cost	
At 29 March 2020	2,151
At 27 March 2021	<u>2,151</u>
Amortisation	
At 29 March 2020	215
Charge for the year	215
At 27 March 2021	<u>430</u>
Net book value	
At 27 March 2021	<u>1,721</u>
At 28 March 2020	<u>1,936</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

16. Tangible fixed assets

Group

	Freehold property £000	Long-term leasehold property £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation					
At 29 March 2020	41,169	4,445	58	27,599	73,271
Additions	-	1	-	320	321
Disposals	-	(340)	-	(5,106)	(5,446)
At 27 March 2021	41,169	4,106	58	22,813	68,146
Depreciation					
At 29 March 2020	8,797	3,663	52	21,470	33,982
Charge for the period on owned assets	175	93	-	1,158	1,426
Disposals	-	(340)	-	(5,106)	(5,446)
At 27 March 2021	8,972	3,416	52	17,522	29,962
Net book value					
At 27 March 2021	32,197	690	6	5,291	38,184
At 28 March 2020	32,372	781	6	6,130	39,289

The net book value of land and buildings may be further analysed as follows:

	2021 £000	2020 £000
Freehold	32,197	32,372
Long leasehold	689	856
Short leasehold	-	(74)
	<u>32,886</u>	<u>33,154</u>

16. Tangible fixed assets (continued)

At the previous financial year end and due to the significant impact of Covid 19 pandemic on the Group, the management team conducted an impairment review of all its fixed assets. This resulted in five of its units being fully impaired. As a result of these full impairments the Group disposed fully of five leases during the current financial year. The value of the impairments are included within administrative expenses within the Statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

16. Tangible fixed assets (continued)

Company

	Freehold property £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation				
At 29 March 2020	42,894	58	20,574	63,526
Additions	-	-	266	266
At 27 March 2021	<u>42,894</u>	<u>58</u>	<u>20,840</u>	<u>63,792</u>
Depreciation				
At 29 March 2020	8,524	52	15,397	23,973
Charge for the period on owned assets	175	-	830	1,005
At 27 March 2021	<u>8,699</u>	<u>52</u>	<u>16,227</u>	<u>24,978</u>
Net book value				
At 27 March 2021	<u>34,195</u>	<u>6</u>	<u>4,613</u>	<u>38,814</u>
At 28 March 2020	<u>34,370</u>	<u>6</u>	<u>5,177</u>	<u>39,553</u>

The net book value of land and buildings may be further analysed as follows:

	2021 £000	2020 £000
Freehold	<u>34,194</u>	<u>34,369</u>

At the previous financial year end and due to the significant impact of the Covid 19 pandemic on the business, the management team conducted an impairment review of all its fixed assets. This resulted in three of its units being partially impaired and one fully impaired . The value of the impairments are included within the administrative expenses within the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

17. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 29 March 2020	10,696
Amounts written off	(5,550)
	<hr/>
At 27 March 2021	<u>5,146</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Glendola Leisure Limited	England	Ordinary	100 %
Glendola Irish Bars Limited	England	Ordinary	100 %
Glendola Leisure 2 Limited	England	Ordinary	95 %
Handmade Pubs 2012 Limited	England	Ordinary	100 %
Carlton Hotels UK Limited	Scotland	Ordinary	100 %
Saltire Taverns Limited	Scotland	Ordinary	100 %

The companies that are incorporated in England all have their registered office at 364 High Street, Harlington, Hayes, UB3 5LF. The companies that are incorporated in Scotland all have their registered office at 44 West George Street, Glasgow, G2 1DH.

The principal activity of all the companies was operation and management of themed operations

18. Stocks

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Goods for resale	328	720	162	266
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>328</u>	<u>720</u>	<u>162</u>	<u>266</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

19. Debtors

	Group	Group	Company	Company
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade debtors	64	383	-	62
Amounts owed by group undertakings	-	-	3,937	3,561
Amounts owed by related parties	1	-	4	6
Other debtors	37	231	490	301
Prepayments and accrued income	92	288	33	232
Deferred taxation (see note 23)	1,268	253	437	4
Financial instruments	-	8	-	8
	<u>1,462</u>	<u>1,163</u>	<u>4,901</u>	<u>4,174</u>

Amounts owed by related parties are interest free and repayable on demand.

20. Cash and cash equivalents

	Group	Group	Company	Company
	2021	2020	2021	2020
	£000	£000	£000	£000
Cash at bank and in hand	95	3,399	72	(1)
Less: bank overdrafts	-	(3,508)	-	(3,508)
	<u>95</u>	<u>(109)</u>	<u>72</u>	<u>(3,509)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

21. Creditors: Amounts falling due within one year

	Group	Group	Company	Company
	2021	2020	2021	2020
	£000	£000	£000	£000
Bank overdrafts	-	3,508	-	3,508
Bank loans	2,000	14,912	2,000	11,579
Trade creditors	918	2,681	479	1,375
Amounts owed to group undertakings	-	-	7,097	13,928
Amounts owed to related parties	5,042	2,755	5,049	2,600
Corporation tax	1,421	317	1,139	246
Other taxation and social security	-	1,676	-	990
Other creditors	65	12	658	332
Accruals and deferred income	822	1,450	635	693
	<u>10,268</u>	<u>27,311</u>	<u>17,057</u>	<u>35,251</u>

The Group has a secured overdraft facility with its bankers of £2.5m which attracts interest at 4.5% above the banks base rate per annum. Interest is only applicable when the Groups total bank balances are overdrawn.

Amounts owed to related parties are interest free and repayable on demand.

22. Creditors: Amounts falling due after more than one year

	Group	Group	Company	Company
	2021	2020	2021	2020
	£000	£000	£000	£000
Bank loans	16,112	-	16,112	-
	<u>16,112</u>	<u>-</u>	<u>16,112</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

23. Loans

	Group	Group	Company	Company
	2021	2020	2021	2020
	£000	£000	£000	£000
Amounts falling due within one year				
Bank loans	2,000	14,912	2,000	11,580
	<u>2,000</u>	<u>14,912</u>	<u>2,000</u>	<u>11,580</u>
Amounts falling due 1-2 years				
Bank loans	16,112	-	16,112	-
	<u>18,112</u>	<u>14,912</u>	<u>18,112</u>	<u>11,580</u>

The Group has a secured overdraft facility with its bankers of £2.5m which attracts interest at 4.5% above the banks base rate per annum. Interest is only applicable when the Groups total bank balances are overdrawn.

The loans taken out on 31 July 2015 are repayable in quarterly instalments of £230,000 in year one of the loan, £345,000 per quarter in year two and £500,000 per quarter thereafter with a bullet payment 5 years after the loan commencement date, being July 2020, at margins from 2.0% to 1.25%.

Each loan is secured by fixed and floating charge over the freehold and leasehold properties and other assets of the individual trading subsidiaries, which have a net book value of £60,738,000 (2020: £62,028,000).

Various interest rate swaps have been put in place on these loans. See note 20.

As at 28 March 2020, the group and its related parties had facilities of £26,700,000. These facilities were shown in current liabilities in these financial statements. The group successfully renewed its financing after the year end, in July 2020 and May 2021, with the new facility for £26,700,000 and additional facilities of £6,000,000 were attained with both expiring in July 2023 as part of this refinancing, therefore, giving the group and its related parties access to total financing of £32,700,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

24. Deferred taxation

Group

	2021 £000	2020 £000
At beginning of year	(1,844)	(1,683)
Charged to profit or loss	873	(166)
Charged to other comprehensive income	(4)	5
At end of year	<u>(975)</u>	<u>(1,844)</u>

Company

	2021 £000	2020 £000
At beginning of year	(1,746)	(462)
Charged to profit or loss	232	(1,289)
Charged to other comprehensive income	(4)	5
At end of year	<u>(1,518)</u>	<u>(1,746)</u>

The deferred tax balance is made up as follows:

	Group 27 March 2021 £000	Group 28 March 2020 £000	Company 27 March 2021 £000	Company 28 March 2020 £000
Accelerated capital allowances	(975)	(790)	(1,288)	(1,040)
Derivatives	(17)	(2)	(17)	(2)
Capital losses	(650)	(747)	(650)	(685)
Losses and other deductions	667	(303)	437	(19)
Other	-	(2)	-	-
	<u>(975)</u>	<u>(1,844)</u>	<u>(1,518)</u>	<u>(1,746)</u>
Comprising:				
Asset - due within one year	1,268	253	437	4
Liability	(2,244)	(2,097)	(1,954)	(1,750)
	<u>(976)</u>	<u>(1,844)</u>	<u>(1,517)</u>	<u>(1,746)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

25. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
13,258,644 (2020 - 13,258,644) A Ordinary Shares shares of £0.01 each	132,586	132,586
2,525,456 (2020 - 2,525,456) B Ordinary Shares shares of £0.01 each	25,255	25,255
	<u>157,841</u>	<u>157,841</u>

Holders of Ordinary A shares have full voting rights. Holders of B shares have restricted voting rights. In all other regards, the shares rank pari passu.

26. Reserves

Share premium account

Share premium is the excess above the nominal value of the Company's shares of the total price the company received for its issued shares.

Revaluation reserve

Where tangible fixed assets are revalued or reclassified as investment property, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses is included in the revaluation reserve.

Capital redemption reserve

A statutory, non-distributable reserve arising from the redemption or purchase of a company's own shares.

Cash flow hedge reserves

This relates to cash flow hedge reserve. The cash flow hedge reserve provides for the net liability due on the outstanding cash flow hedges.

Merger Reserve

The merger reserve comprises the differences between consideration and book value which arose on the restructuring of the group.

Profit and loss account

Profit & loss account includes all current and prior periods retained profits.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021**

27. Contingent liabilities

As at 27 March 2021, the company and its related parties (together 'the group') had facilities of £26,700,000. The group successfully renewed its financing in July 2020 and May 2021, with the new facility for £26,700,000 expiring in July 2023. Additional facilities of £6,000,000 expiring in July 2023 were attained as part of this refinancing, therefore, giving the group and its related parties access to total financing of £32,700,000.

The company is a party to the bank overdraft and bank loans of other group and related party companies. At the balance sheet date these totalled £9,787,500 (2020: £9,787,500).

28. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £80,900 (2020: £119,514) and by the Company to the fund and amounted to £54,805 (2020: £63,382). Contributions totalling £nil (2020: £nil) were payable to the fund at the reporting date and are included in creditors.

29. Commitments under operating leases

At 27 March 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group	Group
	2021	2020
	£000	£000
Within 1 year	1,467	1,550
Later than 1 year and not later than 5 years	4,899	5,719
Later than 5 years	1,740	3,243
	<u>8,106</u>	<u>10,512</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021

30. Related party transactions

The company's aggregate balances with related parties were as follows:

	2021 £000	2020 £000
Amounts due from / (owed to) group undertakings:		
Glendola Irish Bars Ltd	(703)	(2,447)
Saltire Taverns Ltd	(5,987)	(9,116)
Glendola Leisure 2 Ltd	3,849	3,531
Glendola Leisure Ltd	(347)	(871)
Handmade Pubs 2012 Ltd	88	30
Carlton Hotels UK Ltd	(60)	(1,494)

Group

The group's trading transactions during the period with related parties

	2021 £000	2020 £000
Mangement Fees Payable		
The Foundation Group of Companies Limited	906	1,430
Hotel Management International Limited	4	270
	<u>910</u>	<u>1,700</u>

The above companies are related due to common ultimate controlling parties.

Transaction with key management personal

Total compensation of key management personnel (including the directors) in the year amounted to £832,000 (2020 : £1,093,000).

GLENDOLA LEISURE (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021**

Company

The company's trading transactions during the year with these related parties were as follows:

	2021 £000	2020 £000
Management Fees Payable	910	1,600
Amounts due from / (to) related undertakings:	-	-
The Foundation Group of Companies Limited	(4,216)	(750)
Hotel Management International Holdings Limited	1	-
Hotel Management International Limited	(827)	(1,850)
Carlton Netherlands BV	(3)	6
	<u>(4,135)</u>	<u>(994)</u>

31. Ultimate controlling party

The ultimate controlling party is P N Salussolia, being the major shareholder.

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