

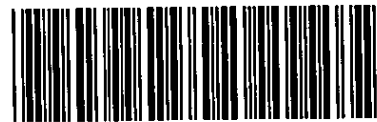
**Bramwell Pubs and Bars Limited**  
**(formerly Barracuda Pubs and Bars Limited)**

**Directors' report and financial  
statements**

Registered number 3997571

Period ended 1 October 2011

WEDNESDAY



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## Contents

Company information	1
Directors' report	2
Statement of directors' responsibilities in respect of the Directors' report and the financial statements	5
Independent auditor's report to the members of Bramwell Pubs and Bars Limited	6
Profit and loss account	8
Balance sheet	9
Cash flow statement	10
Notes	11

## **Company information**

<b>Directors</b>	RP Stringer C Keen – appointed 12 October 2012 R Moxham – appointed 12 October 2012 J Holbrook – appointed 15 October 2012 RA Pitcherc - appointed 4 October 2012 SJ Weir - appointed 4 October 2012
<b>Secretary</b>	C Keen
<b>Auditors</b>	KPMG LLP Altus House One North Fourth Street Milton Keynes Buckinghamshire MK9 1NE
<b>Bankers</b>	The Royal Bank of Scotland PLC 9 <sup>th</sup> Floor 280 Bishopsgate London EC2M 4RB
<b>Solicitors</b>	Freshfields 65 Fleet Street London EC4Y 1HS
<b>Registered office</b>	Lunar House Fieldhouse Lane Globe Park Marlow Buckinghamshire SL7 1LW

## Directors' report

The directors present their annual report and the audited financial statements for the 53 week period ended 1 October 2011

### Principal activities

The principal activities of the company are the management and operation of public houses

### Review of business and future developments

The company achieved a small operating loss of £33,000 before exceptional items (2010 £601,000 loss) and a loss of £27,217,000 after exceptional items (2010 £6,233,000 loss) The directors do not recommend the payment of a dividend (2010 £nil)

### Post balance sheet events

On 27<sup>th</sup> September 2012 the Barracuda group of companies completed a refinancing that resulted in several of the group companies being placed into administration Barracuda Pubs and Bars Limited was considered a strong business and going concern The company's entire share capital was purchased by Bramwell Pub Company Limited, registered in England and Wales 8186743

Barracuda Pubs and Bars limited was subsequently renamed Bramwell Pubs and Bars Limited

On 27<sup>th</sup> September 2012 Bramwell Pubs and Bars Limited purchased the majority assets of Barracuda Pub Company Limited and The Barracuda Bars Company Limited and now trades from 189 sites across the UK

Bramwell Pub Company Limited is principally owned by Varde Investment Partners LLP

The group has secured a new facility for £10m to be invested in existing and new sites This brings the Bramwell group's senior debt facility to a total of £49,200,000 of which £4,000,000 remains undrawn as at 27<sup>th</sup> September 2012 The debt is repayable on 27<sup>th</sup> September 2015

There are no other financial instruments remaining following the restructuring of the Barracuda Group

### Going concern

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons

The company relies on the group financing arrangements On 27<sup>th</sup> September 2012 the company completed a refinancing Barracuda Pubs and Bars Limited was considered a strong business and its whole share capital was purchased by Bramwell Pub Company Limited, registered in England and Wales 8186743

The Bramwell Pub Company group has secured a new facility for £10m to be invested in existing and new sites This brings the Bramwell group's senior debt facility to a total of £49,200,000 of which £4,000,000 remains undrawn as at 27<sup>th</sup> September 2012

The directors have prepared profit and cash flow forecasts for the group for the period ending twelve months from the date of approval of these financial statements These indicate that the group will have adequate cash resources to meet its obligations as they fall due, under the base case and after taking account of appropriate downside scenarios that the directors have considered Under the base case and downside scenarios the forecasts also indicate that the group will also be able to meet the covenants that have been set under their facilities agreement

At the date of approval of the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

## **Directors' report** *(continued)*

### **Accounting policies**

During the year the directors completed a thorough review of all accounting policies. As a result the directors felt that the depreciation policies needed to be updated to better reflect the current refurbishment pattern of the business. This resulted in an additional depreciation expense being charged for the financial period amounting to £12,398,000. A review was also performed of the company's write off policies in relation to fixtures and fittings. As a result of this review, a total write down of asset cost amounting to £43,160,000 and accumulated depreciation amounting to £36,597,000 was charged, resulting in a net profit and loss impact amounting to £6,563,000. The directors feel this will more accurately, and prudently, reflect the utilisation of the company's assets over time.

The directors have also carried out a comprehensive impairment review during the year as certain cash generating units reported an operating loss in the year and the economy has remained challenging. For the purpose of the impairment testing, the recoverable amount of cash generating units was based on the net realisable value from on-going use. This resulted in an impairment charge of £14,922,000 (2010 £3,701,000). Owing to its significant and unusual nature, this amount was presented as an exceptional operating item, on the face of the profit and loss account in accordance with FRS 3.

### **Principal risks and uncertainties**

The pub industry has continued to face considerable challenges due to the combination of economic recession, increasing duty charges from the government and severe price competition from the major supermarket chains. This has impacted heavily on pub numbers with a considerable number closing in recent years. Most of these are tenanted units.

There is little credit risk to the business other than that caused by the general market conditions mentioned above. Where the company experiences credit risk through advanced bookings it mitigates this with regular reviews of the receivables ledgers.

The introduction of new funding has significantly reduced the liquidity and cash flow risk of the business. However the directors remain diligent in monitoring the costs of the business to minimise any unnecessary cash outflows and maximise investment in the estate.

As a managed pub operator with larger than average pubs and the ability to grow food sales, we believe Bramwell is well placed to cope with these pressures. Following the group re-financing exercise which completed on 27<sup>th</sup> September 2012, the company is in a position to invest in the estate and ensure it remains in good condition.

### **Political and charitable contributions**

The company made no political or charitable contributions during the period (2010 £nil).

### **Directors**

The directors, who held office during the period, and since the end of the period, were as follows:

MR McQuater – resigned 18 May 2012  
TJ Biss – resigned 15 June 2012  
SV Price- resigned 2 October 2012  
RP Stringer  
SG Vardigans – appointed 6 June 2011 – resigned 18 May 2012  
N Morgan – resigned 6 June 2011  
C Keen – appointed 12 October 2012  
R Moxham – appointed 12 October 2012  
J Holbrook – appointed 15 October 2012  
RA Pitcher – appointed 4 October 2012  
SJ Weir – appointed 4 October 2012

The directors of the company are covered by directors' and officers' liability insurance.

## **Directors' report** *(continued)*

### **Disabled employees**

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

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

### **Policy and practice on payment of creditors**

There is significant supplier risk in the market, as evidenced by certain high profile failures. We aim to ensure that our relationships with suppliers are a close working partnership that benefits both parties

It is the company's 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

At 1 October 2011, the company had an average of 50 days purchases outstanding in trade creditors (2010 49 days)

### **Employment involvement**

The company is a major employer in the UK, employing an average 2,786 people in the period ending 1 October 2011 (2010 2,594). Regular meetings are held between local management and employees to allow a free flow of information and ideas. Pub management teams participate directly in the success of the business through the company's bonus schemes which are performance related

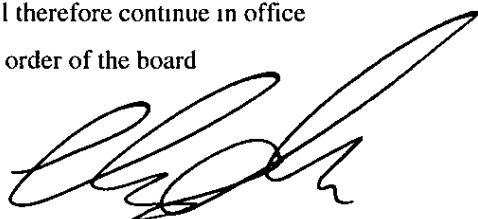
### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



**C Keen**  
Secretary

Lunar House, Globe Park  
Fieldhouse Lane  
Marlow, Buckinghamshire  
SL7 1LW

12 November 2012

## **Statement of directors' responsibilities in respect of the Directors' report and the financial statements**

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## **KPMG LLP**

Altius House  
One North Fourth Street  
Central Milton Keynes  
Buckinghamshire  
MK9 1NE

### **Independent Auditor's Report To The Members Of Bramwell Pubs And Bars Limited (formerly Barracuda Pubs and Bars Limited)**

We have audited the financial statements of Bramwell Pubs and Bars Limited (formerly Barracuda Pubs and Bars Limited) for the 53 week period ended 1 October 2011 set out on pages 8 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the statement of director's responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 1 October 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



**Independent Auditor's Report To The Members Of Bramwell Pubs And Bars Limited  
(formerly Barracuda Pubs and Bars Limited) (continued)**

**Matters on which we are required to report by exception**

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

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



**D McAllan (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor**

12/11/2012

Chartered Accountants  
Altius House  
One North Fourth Street  
Central Milton Keynes  
Buckinghamshire  
MK9 1NE

## Profit and Loss Account

*for the 53 week period ended 1 October 2011*

		Before Exceptional items 2011 £000	Exceptional items 2011 £000	Total 2011 £000	Before Exceptional Items 2010 £000	Exceptional items 2010 £000	Total 2010 £000
	<i>Note</i>						
<b>Turnover</b>	2	108,272	-	108,272	110,188	-	110,188
Cost of sales		(32,640)	-	(32,640)	(32,880)	-	(32,880)
<b>Gross profit</b>		75,632	-	75,632	77,308	-	77,308
Administrative expense	3	(75,665)	(27,184)	(102,849)	(77,909)	(5,632)	(83,541)
<b>Operating loss</b>	3	(33)	(27,184)	(27,217)	(601)	(5,632)	(6,233)
Loss on disposal of fixed assets	3	(101)	(6,563)	(6,664)	(187)	-	(187)
Interest payable and similar charges	6	(3)	-	(3)	(3)	-	(3)
<b>Loss on ordinary activities before taxation</b>		(137)	(33,747)	(33,884)	(791)	(5,632)	(6,423)
Tax on loss on ordinary activities	7			-			-
<b>Loss for the financial period</b>				(33,884)			(6,423)

The notes on pages 11 to 21 form part of these financial statements

The results shown above are derived entirely from continuing operations of 134 sites

The company has no recognised gains or losses other than those identified above and, accordingly, no separate statement of total recognised gains or losses has been presented

**Balance sheet**  
*at 1 October 2011*

	<i>Note</i>	<b>2011</b> <b>£000</b>	<b>2010</b> <b>£000</b>
<b>Fixed assets</b>			
Intangible assets	8	-	-
Tangible assets	9	<b>22,432</b>	58,596
		<hr/> <b>22,432</b>	<hr/> 58,596
<b>Current assets</b>			
Stocks	10	<b>2,030</b>	2,158
Debtors	11	<b>69,580</b>	68,336
Cash at bank and in hand		<b>2,367</b>	4,198
		<hr/> <b>73,977</b>	<hr/> 74,692
<b>Creditors: amounts falling due within one year</b>	12	<b>(54,671)</b>	(56,568)
		<hr/>	<hr/>
<b>Net current assets</b>		<b>19,306</b>	18,124
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>41,738</b>	76,720
<b>Provisions for liabilities</b>	13	<b>(1,480)</b>	(2,578)
		<hr/>	<hr/>
<b>Net assets</b>		<b>40,258</b>	74,142
		<hr/> <hr/>	<hr/> <hr/>
<b>Capital and reserves</b>			
Called up share capital	14	-	-
Share premium account	15	<b>50,000</b>	50,000
Profit and loss account	15	<b>(9,742)</b>	24,142
		<hr/>	<hr/>
<b>Shareholders' funds</b>	16	<b>40,258</b>	74,142
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 11 to 21 form part of these financial statements

These financial statements were approved by the board of directors on *12/11/2012* and were signed on its behalf by



**C Keen**  
*Director*

Registered number 3997571

**Cash flow statement**  
*for the 53 week period ended 1 October 2011*

	<i>Note</i>	<b>2011 £000</b>	<b>2010 £000</b>
<b>Net cash inflow from operating activities</b>	<b>19</b>	<b>3,205</b>	<b>7,927</b>
<b>Taxation</b>		<b>-</b>	<b>-</b>
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		<b>(5,033)</b>	<b>(6,848)</b>
<b>Net cash outflow from capital expenditure</b>		<b>(5,033)</b>	<b>(6,848)</b>
<b>Net cash outflow before financing</b>		<b>(1,828)</b>	<b>1,079</b>
<b>Financing</b>			
Interest paid		<b>(3)</b>	<b>(3)</b>
<b>Net cash outflow from financing</b>		<b>(3)</b>	<b>(3)</b>
<b>(Reduction) / increase in cash</b>	<b>20</b>	<b>(1,831)</b>	<b>1,076</b>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently from one accounting period to the next in dealing with items which are considered material in relation to the financial statements, except as noted below

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

As 100% of the company's voting rights are controlled within the group headed by Bramwell Pub Company Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties)

#### *Going concern*

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons

The company relies on the group financing arrangements. On 27<sup>th</sup> September 2012 the company completed a refinancing. Barracuda Pubs and Bars Limited was considered a strong business and its whole share capital was purchased by Bramwell Pub Company Limited, registered in England and Wales 8186743

The Bramwell Pub Company group has secured a new facility for £10m to be invested in existing and new sites. This brings the Bramwell group's senior debt facility to a total of £49,200,000 of which £4,000,000 remains undrawn as at 27<sup>th</sup> September 2012

The directors have prepared profit and cash flow forecasts for the group for the period ending twelve months from the date of approval of these financial statements. These indicate that the group will have adequate cash resources to meet its obligations as they fall due, under the base case and after taking account of appropriate downside scenarios that the directors have considered. Under the base case and downside scenarios the forecasts also indicate that the group will also be able to meet the covenants that have been set under their facilities agreement

At the date of approval of the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

#### *Valuation of properties*

All properties are shown at cost. The carrying value of tangible fixed assets is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of fixed assets below depreciated historical cost is charged to the profit and loss account

## Notes (continued)

### 1 Accounting policies (continued)

#### *Tangible fixed assets and depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Fixtures and fittings	-	5-10 years
Computer and office equipment	-	5 years
Freehold and long leasehold buildings	-	50 years
Short leasehold properties	-	over the remaining life of the lease

No depreciation is provided on freehold land

The carrying value of tangible fixed assets is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of fixed assets below depreciated historical cost is charged to the profit and loss account. Profits and losses on disposal of fixed assets reflect the difference between net selling price and the net book value at the date of disposal. Assets in construction are held under fixtures and fittings until completed and then transferred to the appropriate asset class.

During the year a review was performed of the company's depreciation and write-off policies in relation to fixtures and fittings. As a result of the review, the estimated useful lives of fixtures and fittings were reduced from 10-20 years to 5-10 years.

#### *Repairs and renewals*

All replacements of existing fixtures and fittings are expensed in the period in which they are incurred.

#### *Leases*

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### *Pension fund contributions*

Employees are offered the opportunity to join a Group Personal Pension Plan, which is a defined contribution scheme. Contributions by the group to this Group Personal Pension Plan are charged against profits in the period in which contributions are made.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value and are accounted for on a first in, first out basis. Stocks comprise primarily goods purchased for resale.

## Notes (continued)

### *Taxation*

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

### *Turnover*

Turnover represents the amounts net of any discounts (excluding value added tax) derived from the provision of goods and services to customers

## 2 Turnover

The company's operations comprise one class of business, which is pub retailing in the United Kingdom, and turnover excludes value added tax

## 3 Notes to the profit and loss account

	2011 £000	2010 £000
<i>Loss on ordinary activities before taxation is stated after charging/(crediting)</i>		
Auditors' remuneration		
Audit of these financial statements	87	75
Other services relating to taxation	18	30
Depreciation and other amounts written off tangible fixed assets		
Depreciation (owned assets)	7,213	7,763
Loss on disposal of fixed assets	101	187
Operating lease rentals		
Hire of land and buildings	10,149	10,433
	<hr/>	<hr/>

### *Exceptional operating items*

	2011 £000	2010 £000
Onerous lease provision	(136)	1,889
Impairment of tangible fixed assets	14,922	3,701
Other	-	42
Depreciation of fixtures and fittings	12,398	-
Write off of fixtures and fittings	6,563	-
	<hr/>	<hr/>
	33,747	5,632
	<hr/>	<hr/>

During 2011, impairment charges were recorded totalling £14,922,000 (2010 £3,701,000) against the carrying value of tangible fixed assets (see note 9)

During the year a review was performed of the company's depreciation and write-off policies in relation to fixtures and fittings. As a result of the review, the estimated useful lives of fixtures and fittings were reduced from 10-20 years to 5-10 years. This resulted in an additional depreciation expense being charged for the financial period amounting to £12,398,000. In addition, as a result of changes in the company's write-off

## Notes (continued)

### 3 Notes to the profit and loss account (continued)

policies, a total write down of asset cost amounting to £43,160,000 and accumulated depreciation amounting to £36,597,000 was charged. If the company had applied the same accounting policy to the prior year comparatives, the total write-down would have been £40,486,000 to cost and £28,785,000 to accumulated depreciation respectively.

Owing to the significant unusual nature of the items described above, they have been presented as an exceptional operating item on the face of the profit and loss account in accordance with FRS3.

### 4 Remuneration of directors

	2011 £000	2010 £000
Directors' emoluments	1,180	1,001
Company contributions to money purchase pension schemes	167	145
Amounts paid to third parties in respect of directors' services	168	158
	<u>1,515</u>	<u>1,304</u>

The aggregate of emoluments of the highest paid director was £412,000 (2010 £385,000) and company pension contributions of £58,000 (2010 £56,700) were made to a money purchase scheme on his behalf.

Retirement benefits are accruing to the following number of directors under

	Number of directors 2011	2010
Money purchase schemes	<u>6</u>	<u>5</u>

### 5 Staff costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	Number of employees 2011	2010
Staff	2,490	2,293
Management	296	301
	<u>2,786</u>	<u>2,594</u>

The above disclosure is not based on full-time equivalents since, owing to the nature of the business, it would be impractical to do so.

The aggregate payroll costs of these persons were as follows:

	2011 £000	2010 £000
Wages and salaries	28,607	28,562
Social security costs	2,066	2,102
Other pension costs	351	329
	<u>31,024</u>	<u>30,993</u>



## Notes (continued)

### 6 Interest payable and similar charges

	2011 £000	2010 £000
On bank loans and overdrafts	3	3

### 7 Taxation

There was no current or deferred tax charge or credit in the current or prior period

The current tax charge for the period differs to the standard rate of corporation tax in the UK of 27% (2010 28%) Losses have been surrendered by other group companies for which no payment was made A current tax reconciliation is provided below

	2011 £000	2010 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(33,884)	(6,423)
Current tax at 27% (2010 28%)	(9,149)	(1,798)
<i>Effects of</i>		
Timing differences between capital allowances and depreciation	1,933	2,009
Expenses not deductible for tax	5,056	1,170
Short term timing differences	-	-
Group relief	-	(1,455)
Impact of change in tax rate	302	74
Losses	1,858	-
Total current tax charge (see above)	-	-

## Notes (continued)

### 7 Taxation (continued)

#### Deferred taxation

The elements of deferred taxation are as follows

	Unrecognised 2011 £000	Unrecognised 2010 £000
Difference between accumulated depreciation and amortisation and capital allowances	11,110	9,898
Tax Losses	2,505	287
	<hr/>	<hr/>
Deferred tax asset unrecognised (2010 unrecognised)	13,615	10,185
	<hr/>	<hr/>

The 2012 budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012. This will reduce the company's future tax charge accordingly and further reduce the unrecognised deferred tax asset at 1 October 2011.

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction although this will further reduce the company's future tax charge and reduce the company's unrecognised deferred tax asset accordingly.

### 8 Intangible fixed assets

	Goodwill £000
<b>Cost</b>	
At beginning and end of period	9,119
	<hr/>
<b>Amortisation</b>	
At beginning and end of period	9,119
	<hr/>
<b>Net book value</b>	
At 1 October 2011	-
	<hr/>
At 26 September 2010	-
	<hr/>

## Notes (continued)

### 9 Tangible fixed assets

	Leasehold property £000	Freehold property £000	Office equipment £000	Fixtures and fittings £000	Total £000
<b>Cost</b>					
At beginning of period	16,295	2,658	1,955	95,512	116,420
Additions	-	3	365	4,665	5,033
Transfer	-	-	-	-	-
Disposals	(1,549)	-	-	(51,489)	(53,038)
At end of period	14,746	2,661	2,320	48,688	68,415
<b>Depreciation and impairment</b>					
At beginning of period	6,762	314	1,645	49,103	57,824
Charged during the period	171	11	425	19,003	19,610
Disposals	(1,736)	-	-	(44,637)	(46,373)
Impairment	4,297	264	-	10,361	14,922
At end of period	9,494	589	2,070	33,830	45,983
<b>Net book value</b>					
At 1 October 2011	5,252	2,072	250	14,858	22,432
At 25 September 2010	9,533	2,344	310	46,409	58,596

#### Impairment

During the year an impairment review was performed as certain cash generating units reported an operating loss in the year and the economy has remained challenging. For the purpose of impairment testing, the recoverable amount of cash generating units was based on the net realisable value from ongoing use. This estimate has resulted in an impairment charge of £14,922,000 (2010 £3,701,000). Owing to its significant and unusual nature, this amount was presented as an exceptional operating item, on the face of the profit and loss account in accordance with FRS 3.

During the year a review was performed of the company's depreciation and write-off policies in relation to fixtures and fittings. As a result of the review, the estimated useful lives of fixtures and fittings were reduced from 10-20 years to 5-10 years. The directors believe that the new policy better reflects the current refurbishment programme and the use of the assets. This resulted in an additional depreciation expense being charged for the financial period amounting to £12,398,000. In addition, as a result of changes in the company's write-off policies, a total write down of asset cost amounting to £43,160,000 and accumulated depreciation amounting to £36,597,000 was charged. Owing to the significant unusual nature of both the additional depreciation expense and asset write down, these have both been presented as an exceptional operating item on the face of the profit and loss account in accordance with FRS 3. If the company had applied the same accounting policy to the prior year comparatives, the total write-down would have been £40,486,000 to cost and £28,785,000 to accumulated depreciation.

### 10 Stocks

	2011 £000	2010 £000
Goods for resale	2,030	2,158

## Notes (continued)

### 11 Debtors

	2011 £000	2010 £000
Trade debtors	48	39
Amounts owed by group undertakings	63,178	62,536
Other debtors and prepayments	6,354	5,761
	<u>69,580</u>	<u>68,336</u>

As part of the refinancing on 27<sup>th</sup> September 2012 all intercompany balances were cleared

### 12 Creditors: amounts falling due within one year

	2011 £000	2010 £000
Amounts owed to group undertakings	36,861	37,686
Trade creditors	9,751	9,269
Other taxes and social security	2,107	2,361
Other creditors and accruals	5,952	7,252
	<u>54,671</u>	<u>56,568</u>

As part of the refinancing on 27<sup>th</sup> September 2012 all intercompany balances were cleared

### 13 Provisions for liabilities

	Onerous lease provision £000	Other provisions £000	Total £000
At beginning of period	2,566	12	2,578
Utilised	(1,069)	(12)	(76)
Released to the profit and loss account	(136)	-	(1,141)
Charged to the profit and loss account	-	119	119
	<u>1,361</u>	<u>119</u>	<u>1,480</u>
At end of the period	1,361	119	1,480

The onerous lease provision has arisen from certain vacated public houses upon which the company has a continuing contractual obligation under an operating lease agreement. The provision balance has been calculated as the excess of future unavoidable costs arising from the contractual operating lease obligations less any future economic benefits expected to be received from these premises.

The release of the onerous lease provision relates successful negotiations to terminate lease contracts during the year.

Other provisions relate to outstanding insurance claims against the company as at the period end. The company became self insured for claims up to the insurance policy excess. The provision is calculated based on the number of claims outstanding and a recommended payment provided by the company's insurers.

## Notes (continued)

### 14 Called up share capital

	2011 £	2010 £
<i>Authorised</i>		
101 ordinary shares of £1 each	101	101
100 preferred ordinary shares of £1 each	100	100
	<hr/> 201	<hr/> 201
<i>Allotted, called up and fully paid</i>		
101 ordinary shares of £1 each	<hr/> 101	<hr/> 101

### 15 Share premium and reserves

	Share premium account £000	Profit and loss account £000
At beginning of the period	50,000	24,142
Loss for the period	-	(33,884)
	<hr/> 50,000	<hr/> (9,742)
At end of the period	<hr/> 50,000	<hr/> (9,742)

### 16 Reconciliation of movement in shareholders' funds

	2011 £000	2010 £000
Loss for the year	(33,884)	(6,423)
	<hr/> (33,884)	<hr/> (6,423)
Net reduction to shareholders' funds	(33,884)	(6,423)
Opening shareholders' funds	74,142	80,565
	<hr/> 74,142	<hr/> 80,565
Closing shareholders' funds	<hr/> 40,258	<hr/> 74,142

### 17 Commitments

#### *Operating lease commitments*

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings 2011 £000	2010 £000
Operating leases which expire		
Within one year	-	-
Two to five years	-	-
In over five years	7,108	7,419
	<hr/> 7,108	<hr/> 7,419

## Notes (continued)

### 17 Commitments (continued)

As at period end, the company had provided a guarantee in favour of Royal Bank of Scotland as security trustee in respect of certain leased premises within the public house estate. This guarantee was dissolved as part of the restructure activities undertaken in September 2012.

### 18 Related parties

During the year the company had the following related party transactions in respect of professional fees paid:  
Babson Capital Europe Limited £100,000 (2010 £100,000)

Conlan Associates Limited £68,250 (2010 £58,000)

Babson Capital Europe Limited was the majority shareholder of group company, Barracuda Pub Group Limited at period end. The balance outstanding to Babson Capital Limited as at period end amounted to £nil (2010 nil).

Conlan Associates Limited is a company of whom John Conlan is a director. John Conlan was a director of group company, Barracuda Pub Group Limited at period end. The balance outstanding to Conlan Associates Limited as at period end amounted to £nil (2010 nil).

### 19 Reconciliation of operating profit to operating cash flows

	2011 £000	2010 £000
Operating loss	(33)	(601)
Exceptional items	(27,184)	(5,632)
Depreciation and impairment	34,533	11,464
(Decrease) / increase in provisions	(1,098)	1,760
Decrease / (increase) in stocks	128	(260)
Increase in debtors	(1,244)	(37,227)
(Decrease) / increase in creditors	(1,897)	38,423
<b>Net cash inflow from operating activities</b>	<b>3,205</b>	<b>7,927</b>

### 20 Analysis of net debt

	At beginning of period £000	Cash flow £000	Other non cash changes £000	At end of Period £000
Cash at bank and in hand	4,198	(1,831)	-	2,367

### 21 Ultimate parent undertaking

As at the end of the financial period, the ultimate holding and controlling company was Barracuda Pub Group Limited, a company incorporated in Great Britain.

Following a group restructure in September 2012, the immediate parent company is Bramwell Pub Company Limited, a company incorporated in Great Britain, who owns 100% of the share capital in the company.

## Notes (continued)

### 22 Post balance sheet Events

On 27 September 2012 the Barracuda group of companies completed a refinancing that resulted in the placing in administration several of the group companies. Barracuda Pubs and Pubs Limited was considered a strong business and its whole share capital was purchased by Bramwell Pub Company Limited, registered in England and Wales 8186743.

Barracuda Pubs and Bars limited was subsequently renamed Bramwell Pubs and Bars Limited.

Bramwell Pubs and Bars Limited has also purchased the majority assets of Barracuda Pub Company Limited and The Barracuda Bars Company Limited for a consideration of £20,888,494 and now trades from 189 sites across the UK.

Bramwell Pub Company Limited is principally owned by Varde Investment Partners LLP.

The Bramwell Pub Company group has secured a new facility for £10m to be invested in existing and new sites. This brings the Bramwell group's senior debt facility to a total of £49,200,000 of which £4,000,000 remains undrawn as at 27 September 2012.

The amounts owed to group companies amounting to £36,861,000 and amounts owed from group companies amounting to £63,178,000 were cleared as part of the refinancing activities.