

Registered number 04099762

## Nectar Taverns Limited

### Report and Financial Statements

25 August 2013



## Nectar Taverns Limited

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Registered No 04099762

### **Directors**

E S Rosenberg  
D Rosenberg  
A Landesberg  
G Landesberg

### **Secretary and registered office**

AG Secretarial Limited  
100 Barbirolli Square  
Manchester M2 3AB

### **Auditors**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

### **Bankers**

National Westminster Bank  
City of London Office  
PO Box 12258  
1 Princes Street  
London  
EC2R 8PA

### **Solicitors**

Addleshaw Goddard  
Milton Gate, 60 Chiswell Street  
London  
EC1Y 4AJ

## Report of the Directors

The directors present their report and financial statements for the year ended 25 August 2013

### Results and dividends

The loss for the year before taxation amounted to £1,065,000 (2012 loss £5,670,000) The directors do not recommend a final dividend

### Principal activity and review of the business

The principal activity of the company during the year was the ownership and operation of an estate of licensed premises No change is envisaged in the future

The key performance indicators are as follows

	2013	2012
Revenue (£000)	8,959	9,020
Gross Margin (%)	42.9	42.7
EBITDA (£000)	878	979
	<hr/>	<hr/>

### Principal risks and uncertainties

The company is exposed to a variety of economic, regulatory, and financial risks and uncertainties

The continuing economic uncertainty and consequential impact on consumer spending have the potential to affect the business. The board regularly reviews the impact of the economic conditions on the company's budget and strategic plans to ensure that its competitive position in the market is maintained.

The increasing regulatory requirements in areas of health and safety and law and order and the costs of complying with them may adversely impact on the business. We strive to comply with legislative requirements in those areas that may adversely affect our business.

The company is exposed to interest rate risk on its parent company's bank loan on which its properties are secured and in order to mitigate those risks the company constantly monitors performance, and working capital is closely managed and forecast.

### Directors

The following were directors throughout the year

E S Rosenberg  
D Rosenberg  
A Landesberg  
G Landesberg

## Report of the Directors

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

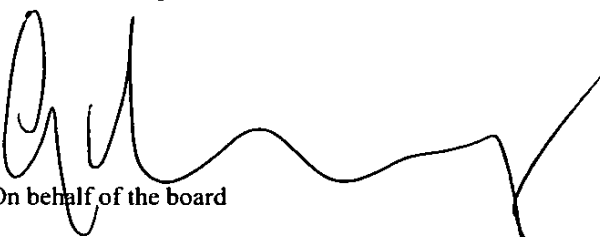
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Directors' statement as to disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

BDO LLP have indicated their willingness to continue in office. A resolution to reappoint them as auditors will be put to the members at the Annual General Meeting.



On behalf of the board

G Landesberg  
Director  
Date 12/12/13

## **Independent auditor's report to the members of Nectar Taverns Limited**

We have audited the financial statements of Nectar Taverns Limited for the year ended 25 August 2013 which comprise the profit and loss account, the balance sheet the note of historical cost profits and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 auditors**

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 25 August 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Independent auditor's report to the members of Nectar Taverns Limited

### Opinion on other matters 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

### 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



*Solomon Benaim (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
Date 12/12/13*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

## Profit and loss account

for the year ended 25 August 2013

	Notes	2013 £000	2012 £000
<b>Turnover</b>	2	8,959	9,020
Cost of sales		(5,112)	(5,172)
<b>Gross profit</b>		3,847	3,848
Administrative expenses		(3,510)	(3,609)
<b>Operating profit</b>	3	337	239
Impairment charge on tangible fixed assets		(1,242)	(5,733)
<b>Loss before interest</b>		(905)	(5,494)
Interest payable	5	(160)	(176)
<b>Loss on ordinary activities before taxation</b>		(1,065)	(5,670)
Tax on (loss)/profit on ordinary activities	6	62	50
<b>Loss on ordinary activities after taxation</b>	13	(1,003)	(5,620)

All amounts relate to continuing activities. All gains and losses for the year have been recognised in the profit and loss account.

## Note of historical cost profits and losses

	2013 £000	2012 £000
<b>Reported Loss on ordinary activities before taxation</b>	(1,065)	(5,670)
Difference between actual and historical cost depreciation charge	1,254	5,869
<b>Historical cost profit on ordinary activities before taxation</b>	189	199
<b>Retained historical cost profit for the year after taxation</b>	251	249

The notes on pages 9 to 13 form part of these financial statements

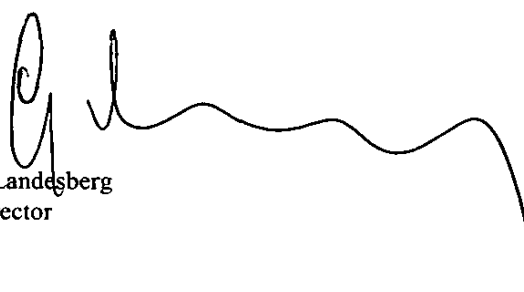
## Balance sheet

as at 25 August 2013

Company number 04099762

	Note	2013 £000	2012 £000
<b>Fixed assets</b>			
Tangible assets	7	9,467	11,085
<b>Current assets</b>			
Stocks	8	187	181
Debtors	9	248	270
Cash at bank and in hand		507	585
		<u>942</u>	<u>1,036</u>
<b>Creditors:</b> amounts falling due within one year	10	(2,810)	(3,457)
<b>Net current liabilities</b>		<u>(1,868)</u>	<u>(2,421)</u>
<b>Total assets less current liabilities</b>		<u>7,599</u>	<u>8,664</u>
Provision for liabilities and charges	11	(290)	(352)
<b>Net assets</b>		<u>7,309</u>	<u>8,312</u>
<b>Capital and reserves</b>			
Called up share capital	12	1,088	1,088
Share premium account	13	2,875	2,875
Revaluation reserve	13	-	535
Profit and loss account	13	3,346	3,814
<b>Shareholders' funds</b>	13	<u>7,309</u>	<u>8,312</u>

The financial statements were approved by the board of directors and authorised for issue on 12/12/13

  
G Landenberg  
Director

The notes on pages 9 to 13 form part of these financial statements



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# Notes to the financial statements

at 25 August 2013

## 1. Accounting policies

### *Accounting convention*

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

### *Basis of preparation*

The directors have prepared the financial statements of the company on the going concern basis. This assumption has been based upon facilities continuing to be made available to the parent company from its bankers Irish Bank Resolution Corporation Limited who have extended the group's loan facility to 31 December 2014.

### *Cash flow statement*

The company has taken advantage of the exemption available in FRS1 (Revised) not to disclose a statement of cash flows as the company is a wholly owned subsidiary of a company whose consolidated financial statements are publicly available.

### *Turnover*

Turnover represents sales to external customers at invoiced amounts net of value added tax.

### *Deferred taxation*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with following exceptions:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold buildings	-	straight line over 50 years
Fixtures, fittings and equipment	-	straight line over 4 years

## Notes to the financial statements

at 25 August 2013

### 1. Accounting policies (continued)

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to disposal.

#### **Leasing commitments**

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

#### **Investments**

Investments are held at cost less provision for impairment.

#### **Going concern**

The company has provided a cross guarantee and its land and buildings as security against its parent company's loan facility. The directors have prepared the financial statements of the company on the going concern basis. This assumption has been based upon the continued support of its bankers, Irish Bank Resolution Corporation Limited who have extended the parent company's loan facility to 31 December 2014.

### 2. Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of discounts and value added tax.

### 3. Operating profit

This is stated after charging

	2013 £000	2012 £000
Depreciation of tangible fixed assets	541	740
Auditors' remuneration - audit of the financial statements	12	12
	<u>553</u>	<u>752</u>

### 4. Staff costs

Other than its directors the company had no employees during the year (2012 – nil). No remuneration was paid to the directors in the current or prior period.

### 5. Interest payable

	2013 £000	2012 £000
Interest payable to parent undertaking	160	176
Other	-	-
	<u>160</u>	<u>176</u>

## Notes to the financial statements

at 25 August 2013

### 6. Tax

(a) Tax on (loss)/profit on ordinary activities

The tax charge is made up as follows

	2013 £000	2012 £000
<i>Current tax</i>		
UK corporation tax on results of the period	-	-
Adjustment in respect of prior period	-	3
Total current tax (note 6(b))	-	3
<i>Deferred taxation</i>		
Total deferred tax (note 11)	(62)	(53)
Total tax credit for the period	(62)	(50)

(b) Factors affecting current tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax. The differences are explained below

	2013 £000	2012 £000
Loss on ordinary activities before tax	(1,065)	(5,670)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2012 – 24%)	(245)	(1,361)
<i>Effects of</i>		
Depreciation in excess of capital allowances	107	103
Impairment charge	286	1,376
Group relief claimed	(148)	(118)
Adjustment in respect of prior period	-	3
Current tax for the period (note 6(a))	-	3

## Notes to the financial statements

at 25 August 2013

### 7. Tangible fixed assets

	<i>Land and buildings £000</i>	<i>Fixtures, fittings and equipment £000</i>	<i>Total £000</i>
Cost or valuation			
At 27 August 2012	18,000	1,355	19,355
Additions	-	165	165
At 25 August 2013	18,000	1,520	19,520
Depreciation			
At 28 August 2011	7,500	770	8,270
Provided during the year	258	283	541
Impairment charge	1,242	-	1,242
At 25 August 2013	9,000	1,053	10,053
Net book value			
At 25 August 2013	9,000	467	9,467
At 26 August 2012	10,500	585	11,085

There is a first legal charge on the fixed assets as security for the borrowings of the parent company

The directors have reviewed the carrying value of the company's estate of licensed houses in the light of current market conditions and sentiment and accordingly an impairment charge of £1,242,000 has been made

### 8. Stocks

	<i>2013 £000</i>	<i>2012 £000</i>
Goods held for resale	187	181

There is no material difference between the replacement cost of stocks and the amounts stated above

### 9. Debtors

	<i>2013 £000</i>	<i>2012 £000</i>
Trade debtors	10	-
Prepayments and accrued income	229	246
Other debtors	9	24
	248	270

All amounts shown under debtors fall due for payment within one year

## Notes to the financial statements

at 25 August 2013

### 10. Creditors: amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	690	633
Other creditors	26	29
Amounts owed to parent undertaking	1,698	2,455
Other taxation and social security	160	157
Accruals and deferred income	236	183
	<u>2,810</u>	<u>3,457</u>

The amounts owed to parent undertakings have no fixed date for repayment

### 11. Provision for liabilities and charges:

<i>Deferred taxation</i>		
	2013 £000	2012 £000
At start of period	352	405
Origination and reversal of timing differences	(62)	(53)
At end of period	<u>290</u>	<u>352</u>

The provision relates to accelerated capital allowances

### 12. Share capital

	2013 £	2012 £
<i>Allotted, called up and fully paid</i>		
2,175,054 ordinary shares of £0.50 each	<u>1,087,527</u>	<u>1,087,527</u>

## Notes to the financial statements

at 25 August 2013

### 13. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital £000</i>	<i>Share premium £000</i>	<i>Revaluation reserve £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
At 26 August 2012	1,088	2,875	535	3,814	8,312
Loss for the year	-	-	-	(1,003)	(1,003)
Transfer to profit and loss account	-	-	(535)	535	-
At 25 August 2013	1,088	2,875	-	3,346	7,309

### 14. Contingent liabilities

The nature of the company's business and the extent of its operations are such that it is from time to time involved in legal proceedings, as plaintiff or defendant. No such current proceedings are expected to have a material effect on the group at this time.

The company has no contingent liabilities at the time of review.

### 15. Ultimate parent undertaking and controlling party

At the end of the period, the immediate parent company was Lincoln Capital Limited.

There is no ultimate controlling party.

### 16. Related party transactions

During the period Mountain Capital 1 LLP, a partnership whose partners are the directors of this company, charged £150,000 (2012 - £150,000) to the company for accounting and administrative functions.