

Company Registration No. 05301620

The Place Sandwich VCT Limited

Annual Report and Financial Statements

For the Year Ended 30 June 2012



The Place Sandwich VCT Limited

Report and financial statements 2012

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditor's report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

The Place Sandwich VCT Limited

Report and financial statements 2012

Officers and professional advisers

Directors

N J Bunting
M J Rider

Secretary

F J Lester

Registered office

17 Court Street
Faversham
Kent
ME13 7AX

Registered number

05301620

Business address

The Bell Hotel
The Quay
Sandwich
Kent
CT13 9EF

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

The Place Sandwich VCT Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2012

This directors' report has been prepared in accordance with the special provisions relating to small companies under s418 of the Companies Act 2006

Financial activities

The company's principal activity until 28th September 2011 continued to be the operation of The Bell Hotel, Sandwich. The entire share capital of the company was acquired by Shepherd Neame Limited on 28th September 2011. All of the assets and liabilities were hived up into the ultimate parent company, Shepherd Neame Limited, on that date. The property was transferred at market value giving rise to a profit on disposal as disclosed in the profit and loss account. Trading from the premises continues and is reported in Shepherd Neame Limited's financial statements from the date of acquisition.

Directors

The directors who held office during the year are given below

M Collins	(Resigned 28 th September 2011)
J M Thornton	(Resigned 28 th September 2011)
M L Wolfman	(Resigned 28 th September 2011)
H J A Stanford	(Resigned 28 th September 2011)
N J Bunting	(Appointed 28 th September 2011)
K R Littlefair	(Appointed 28 th September 2011 – Resigned 28 th February 2012)
M J Rider	(Appointed 28 th February 2012)

Auditor

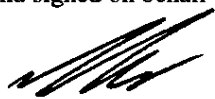
Each of the directors in office at the date when this report was approved confirms that

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware and
- The director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

The confirmation should be interpreted in accordance with Section 418 of the Companies Act 2006

Deloitte LLP was appointed to office as auditor in the period. A resolution will be passed at the Annual General Meeting to re-appoint Deloitte LLP to continue in office as auditors.

Approved by the Board of Directors
and signed on behalf of the Board



M J Rider
Director

11TH DECEMBER 2012

The Place Sandwich VCT Limited

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 accounting estimates that are reasonable and prudent, 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 proper adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of The Place Sandwich VCT Limited

We have audited the financial statements of The Place Sandwich VCT Limited for the year ended 30 June 2012, which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 June 2012 and of its profit 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.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

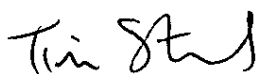
Opinion on other matter prescribed by the Companies Act 2006

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.

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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' report.



Timothy Steel (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

14/12 2012

The Place Sandwich VCT Limited

Profit and loss account Year ended 30 June 2012

	Notes	2012 £	2011 £
Turnover	1	447,733	1,541,623
Cost of sales		(267,339)	(1,078,417)
Gross profit		180,394	463,206
Administrative expenses		(109,187)	(277,347)
Operating profit	2	71,207	185,859
Profit on transfer of property		1,887,130	-
Interest receivable		54	140
Interest payable	5	(74,110)	(294,285)
Profit/(loss) on ordinary activities before taxation		1,884,281	(108,286)
Tax on profit/(loss) on ordinary activities		-	-
Profit/(loss) for the financial year		<u>1,884,281</u>	<u>(108,286)</u>

Discontinued operations

The company's activities were discontinued as of 28th September 2011

Statement of total recognised gains and losses

The company has no recognised gains or losses other than as shown above, accordingly no statement of recognised gains and losses is presented

The Place Sandwich VCT Limited

Balance sheet as at 30 June 2012

	Notes	2012 £	2011 £
Fixed assets			
Intangible assets	6	-	171,450
Tangible assets	7	-	1,842,975
		<u>-</u>	<u>2,014,425</u>
Current assets			
Stocks	8	-	19,155
Debtors	9	1,626,361	79,610
Cash at bank and in hand		-	60,670
		<u>1,626,361</u>	<u>159,435</u>
Creditors: amounts falling due within one year	10	-	(252,685)
Net current assets/(liabilities)		<u>1,626,361</u>	<u>(93,250)</u>
Net assets less current liabilities		1,626,361	1,921,175
Creditors: amounts falling due after more than one year			
Other creditors	11	-	(2,179,095)
Net assets/(liabilities)		<u>1,626,361</u>	<u>(257,920)</u>
Capital and reserves			
Called up share capital	12	875,178	875,178
Share premium account	13	233,733	233,733
Other reserves		51,500	51,500
Profit and loss account	14	465,950	(1,418,331)
Shareholders' funds/(deficit)		<u>1,626,361</u>	<u>(257,920)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime under the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements of The Place Sandwich VCT Limited, registered number 05301620 were approved by the Board of Directors on 11 December 2012

Signed on behalf of the Board of Directors



M J Rider
Director

The Place Sandwich VCT Limited

Notes to the financial statements Year ended 30 June 2012

1 Accounting policies

The company's activities were discontinued as of 28th September 2011 following the hive up of all of the assets and liabilities into the ultimate parent company, Shepherd Neame Limited, on that date. The financial statements are therefore prepared on a basis other than that of a going concern and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The principal accounting policies are set out below.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. The company engages in only one class of business, that of hotelier, and all turnover is derived in the United Kingdom.

Turnover is recognised when rooms are occupied and when goods and services are provided to the guests.

Goodwill

Purchased goodwill is stated at cost less amortisation. It is being written off in equal annual instalments over its estimated useful economic life of 20 years.

Tangible fixed assets

Tangible fixed assets, other than freehold land, are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Freehold buildings	straight-line over 50 years
Refurbishment costs	straight-line over 10 years
Hotel fixtures, fittings, and equipment	straight-line over 4-5 years
Computer equipment	straight-line over 2 years

Stocks

Stocks which comprise food, liquor, and consumables, are valued at the lower of cost and net realisable value.

Refurbishment costs

All refurbishment expenditure is written off to the profit and loss account in the period in which it is incurred, with the exception of improvements to the hotel which are capitalised as fixed asset additions.

2 Operating profit

	2012 £	2011 £
This is stated after charging		
Depreciation of owned fixed assets	39,372	152,898
Amortisation of goodwill	3,175	12,700
Operating lease rentals	891	891
Auditors' remuneration for audit services	-	3,900

The auditor's fees for the current year of £5,000 are borne by the Parent Company.

The Place Sandwich VCT Limited

Notes to the financial statements Year ended 30 June 2012

3. Directors' remuneration

	2012 £	2011 £
Directors' emoluments	27,487	56,245
Directors' fees	-	5,400
	<u>27,487</u>	<u>61,645</u>

4. Interest payable

	2012 £	2011 £
Interest and other finance charges	69,338	277,350
Monitoring fees (see note 15)	3,750	15,000
Amortisation of arrangement fees	1,022	1,935
	<u>74,110</u>	<u>294,285</u>

5. Taxation

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

No taxation charge arises on the profits in the year (2011 losses)

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year varies from the standard small companies rate of corporation tax in the UK of 20.0% (2011 20.75%). The differences are reconciled below

	2012 £	2011 £
Profit/(loss) on ordinary activities before tax	<u>1,884,281</u>	<u>(108,286)</u>
Profit/(loss) on ordinary activities at standard small companies rate of corporation tax of 20.0% (2011 20.75%)	376,856	(22,469)
Expenditure not deductible for tax purposes	1,602	1,748
Capital allowances less than depreciation	3,587	19,580
Non-taxable profit on transfer of property	(377,426)	-
(Utilisation)/carry forward of tax losses	<u>(4,619)</u>	<u>1,141</u>
Total current tax	<u>-</u>	<u>-</u>

The Company tax losses of approximately £966,315 (2011 £989,408) have been transferred to Shepherd Neame Ltd and are available to carry forward against future profits of the same trade in the Parent Company

Deferred tax had not been provided in the financial statements in the prior year on the tax losses and accelerated capital allowances as the directors considered that it would not be prudent to do so until the company establishes profitability

The Place Sandwich VCT Limited

Notes to the financial statements Year ended 30 June 2012

6. Intangible fixed assets

	£
Cost	
At 1 July 2011	254,000
Inter-group transfer	(254,000)
At 30 June 2012	-
Accumulated depreciation	
At 1 July 2011	82,550
Charge for the year	3,175
Inter-group transfer	(85,725)
At 30 June 2012	-
Net book value	
At 30 June 2012	-
At 30 June 2011	171,450

7. Tangible fixed assets

	Land and buildings £	Hotel, fittings, fixtures, and equipment £	Total £
Cost			
At 1 July 2011	2,398,833	446,492	2,845,325
Additions	3,357	11,664	15,021
Inter-group transfer	(2,402,190)	(458,156)	(2,860,346)
At 30 June 2012	-	-	-
Depreciation			
At 1 July 2011	599,250	403,100	1,002,350
Charge for the year	33,278	6,094	39,372
Inter-group transfer	(632,528)	(409,194)	(1,041,722)
At 30 June 2012	-	-	-
Net book value			
At 30 June 2012	-	-	-
At 30 June 2011	1,799,583	43,392	1,842,975

At 30 June 2011 the cost of freehold land & buildings includes £562,500 attributable to land, which has not been depreciated

The Place Sandwich VCT Limited

Notes to the financial statements Year ended 30 June 2012

8. Stocks

	2012 £	2011 £
Food and beverages	-	19,155

The difference between purchase price or production cost of stocks and their replacement cost is not material

9. Debtors

	2012 £	2011 £
Trade debtors	-	218
Other debtors	-	20,605
Prepayments and accrued income	-	58,787
Amounts owed by parent undertaking	1,626,361	-
	<u>1,626,361</u>	<u>79,610</u>

10. Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	-	77,379
Other taxes and social security costs	-	76,075
Other creditors and accruals	-	99,231
	<u>-</u>	<u>252,685</u>

11. Creditors: amounts falling due after one year

	2012 £	2011 £
Secured loan stock		
Albion Venture Capital Trust plc 14% Jan 2005	-	700,000
Albion Prime VCT plc 14% Jan 2005	-	385,000
Albion Venture Capital Trust plc 14% June 2006	-	175,000
Albion Prime VCT plc 14% June 2006	-	96,250
Albion Venture Capital Trust plc 14 63% July 2008	-	143,715
Albion Prime VCT plc 14 63% July 2008	-	77,385
Discounted loan stock		
Healthcare & Leisure Property Limited Jan 2005	-	315,000
Healthcare & Leisure Property Limited June 2006	-	78,750
Shareholder loan interest accrual		
Shareholder loan interest accrual	-	207,995
	<u>-</u>	<u>2,179,095</u>

The Place Sandwich VCT Limited

Notes to the financial statements Year ended 30 June 2012

Discounted loan stock detail	Issue date	Principal	Discount	Issue price
Healthcare & Leisure Property Limited	Jan-05	535,500	(220,500)	315,000
Healthcare & Leisure Property Limited	Jun-06	133,690	(54,940)	78,750
		<u>669,190</u>	<u>(275,440)</u>	<u>393,750</u>

The loans were repaid on 28th September 2011 on acquisition of the entire share capital of the company by Shepherd Neame Limited

12. Share capital

	2012 £	2011 £
Allotted, called up and fully paid:		
87,517,800 (2011 60,517,800) ordinary shares at 1p each	875,178	605,178
Nil (2011 270,000) preference shares at £1 each	-	270,000
	<u>875,178</u>	<u>875,178</u>

On 7th October 2011 the 270,000 preference shares at £1 each were subdivided and re-designated into 27,000,000 ordinary shares at 1p each

13. Share premium

	£
At 1 July 2011	233,733
At 30 June 2012	<u>233,733</u>

14. Profit and loss account

	£
At 1 July 2011	(1,418,331)
Profit for the financial year	1,884,281
At 30 June 2012	<u>465,950</u>

15. Related party transactions

Monitoring fees and expenses were charged by Albion Ventures LLP, of which H J A Stanford, a director of the company during the year, is a partner of £3,750 (2011 £15,000)

During the year the company paid K Wolfman brand development and design fees of £2,085 (2011 £4,620)
As at 30 June 2012, the total amount due to K Wolfman was £nil (2011 £485) K Wolfman is the wife of M Wolfman, a director of the company during the year

During the year Albion Venture Capital Trust plc, a shareholder of the company charged interest of £35,881 (2011 £143,526)

The Place Sandwich VCT Limited

Notes to the financial statements

Year ended 30 June 2012

During the year Albion Prime VCT plc, a shareholder of the company, charged interest of £19,674 (2011 £78,696)

During the year finance charges in respect of discounted loan stock issued to Healthcare & Leisure Property Limited, a shareholder of the company, amounted to £13,782 (2011 £55,128)

The balances owed to these related parties (as set out in note 11) were fully settled on 28th September 2011

16. Ultimate parent undertaking

The directors consider the ultimate controlling parent undertaking and controlling party to be Shepherd Neame Limited. The parent undertaking of the group for which group financial statements are drawn up and of which the company is a member is Shepherd Neame Limited. Copies of the financial statements can be obtained from the Company Secretary, 17 Court Street, Faversham, Kent ME13 7AX.

17. Commitments

Operating lease commitments on other equipment

As at 30 June 2012 the company had annual commitments under non-cancellable operating leases as follows

	2012	2011
	£	£
Within one year	-	891