

Pennybridge Limited

Report and Financial Statements

3 April 2011

Company number 5404942

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Pennybridge Limited

**Annual report and financial statements
for the period from 29 March 2010 to 3 April 2011**

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Directors

J C Kay
M L Widders

Secretary and registered office

M L Widders
Number One
The Beehive
Shadsworth Business Park
Blackburn
BB1 2QS

Company number

5404942

Auditors

BDO LLP
3 Hardman Street
Spinningfields
Manchester
M3 3AT

Pennybridge Limited

Report of the directors for the period from 29 March 2010 to 3 April 2011

The directors present their report together with the audited financial statements for the period ended 3 April 2011

Results and dividends

The profit and loss account is set out on page 6 and shows the loss for the period

Principal activities, trading review and future developments

The principal activity of the group is the design and distribution of home furnishings

Review of the business and future developments

The directors are satisfied with trading during the period to 3 April 2011, with an improved operating performance and the group has continued to make progress in improving margins and reducing costs. Despite this though, the group has continued to record a loss which has led the directors to reconsider the carrying value of the intellectual property intangible asset which is in respect of specific products sold by the group. Given the lack of certainty over the ability to recover the value of this it has been decided to fully impair the intangible asset. £675,000 has been included within administrative expenses as an impairment charge. This does not reflect a lack of confidence in the underlying business which continues to show improvement. The focus for the period to 31 March 2012 is on sales growth, along with a continuation of the improvement in margins and reduction in costs and a return to profitability overall.

On 15 November 2010, CWV Limited issued one new ordinary share of £1 and bought back its £9,300,000 redeemable preference shares from Guild Ventures Limited for £1. All rights to accrued dividends on the redeemable preference shares were also waived by Guild Ventures Limited.

On 12 May 2011, Guild Ventures Limited advanced £3,000,000 to the group by way of a subordinated loan and this receipt was used to repay part of the group's bank debt. On the same date, the group entered into new banking facilities totalling £3,700,000 for the period to 31 December 2013.

Principal risks and uncertainties

The principal uncertainty associated with the business is the level of sales and gross margins achieved.

The directors monitor performance through the production of a detailed annual budget, then comparing performance against this budget. This will be revisited throughout the period to identify deviations and enable remedial actions to be identified if necessary.

Key performance indicators

Additionally, the directors monitor key performance indicators to ensure they are within acceptable parameters, these include:

- Sales volumes and average sales prices per roll
- Gross profit percentage by product and customer
- Levels of spend on distribution and administration costs
- Cash generated from operating activities

Charitable and political contributions

During the period the group made charitable contributions of £2,500 (2010 - £2,650). There were no political contributions.

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Pennybridge Limited

Report of the directors for the period from 29 March 2010 to 3 April 2011 (Continued)

Employee involvement

The group places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees. This is achieved through formal and informal meetings. Employees representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Policy and practice on the payment of creditors

The group has a policy of determining terms of payment with its suppliers when agreeing the terms of transactions and of ensuring suppliers are made aware of them.

The number of average days purchases of the group represented by trade creditors at 3 April 2011 was 44 days (2010 – 44 days).

Directors

The directors of the company during the period were

J C Kay
M L Widders

None of the directors who held office at the end of the financial period had any disclosable interest in the shares of the company or its immediate and ultimate parent undertaking.

According to the register of directors' interest, no rights to subscribe for shares in or debentures of the company or its immediate and ultimate parent undertaking were granted to any of the directors or their immediate families, or exercised by them, during the financial period.

Directors' responsibilities

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 period. Under that law the directors have elected to prepare the group and company 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 group and company 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 and then apply them consistently,
- make judgements 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 company will continue in business.

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

Pennybridge Limited

Report of the directors for the period from 29 March 2010 to 3 April 2011 (*Continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office. Under the Companies Act 2006 section 487(2) they will be automatically re-appointed as auditors 28 days after these accounts are sent to the members unless the members exercise their rights under Companies Act 2006 to prevent their re-appointment.

By order of the Board



**M L Widders
Secretary**

Date 27 July 2011

Pennybridge Limited

Report of the independent auditors

To the members of Pennybridge Limited

We have audited the financial statements of Pennybridge Limited for the period ended 3 April 2011 which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the consolidated cash flow statement 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 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 3 April 2011 and of its 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Pennybridge Limited

Report of the independent auditors (*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

BDO LLP

Neil Barton (senior statutory auditor)

For and on behalf of BDO LLP

3 Hardman Street

Manchester

United Kingdom

Date 29 July 2011

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

Pennybridge Limited

Consolidated profit and loss account for the period from 29 March 2010 to 3 April 2011

	Note	Period ended 3 April 2011 £'000	Period ended 28 March 2010 £'000
Turnover	2	6,321	7,260
Cost of sales		(3,986)	(4,948)
Gross profit		2,335	2,312
Distribution costs		(718)	(982)
Administrative expenses		(2,579)	(1,797)
Operating loss	3	(962)	(467)
Interest payable and similar charges	6	(152)	(711)
Loss on ordinary activities before taxation		(1,114)	(1,178)
Taxation	7	290	157
Loss on ordinary activities after taxation for the financial period		(824)	(1,021)

All amounts relate to continuing activities

All recognised gains and losses in the current and prior period are included in the profit and loss account

The notes on pages 10 to 24 form part of these financial statements

Pennybridge Limited

Consolidated balance sheet at 3 April 2011

	Note	3 April 2011 £'000	3 April 2011 £'000	28 March 2010 £'000	28 March 2010 £'000
Fixed assets					
Intangible assets	9	-	-	-	728
Tangible assets	10	352	352	460	460
			<u>352</u>		<u>1,188</u>
Current assets					
Stocks	12	1,101		970	
Debtors	13	2,507		2,182	
Cash at bank and in hand		-		-	
		<u>3,608</u>		<u>3,152</u>	
Creditors: amounts falling due within one year	14	<u>(7,764)</u>		<u>(7,878)</u>	
Net current liabilities			<u>(4,156)</u>		<u>(4,726)</u>
Total assets less current liabilities			<u>(3,804)</u>		<u>(3,538)</u>
Creditors: amounts falling due after more than one year					
Preference shares	15		-		(9,300)
Net liabilities			<u><u>(3,804)</u></u>		<u><u>(12,838)</u></u>
Capital and reserves					
Share capital	17		-		-
Capital Redemption Reserve	18		9,300		-
Profit and loss account	18		(13,104)		(12,838)
Shareholders' deficit	19		<u><u>(3,804)</u></u>		<u><u>(12,838)</u></u>

The financial statements were approved by the board of directors and authorised for issue on 27 July 2011



M L Widders
Director

The notes on pages 10 to 24 form part of these financial statements

Pennybridge Limited

Company balance sheet at 3 April 2011

Company number: 5404942	Note	3 April 2011 £'000	28 March 2010 £'000
Fixed assets			
Fixed asset investment	11	-	-
		<hr/>	<hr/>
Current assets			
Total assets less current liabilities		-	-
		<hr/>	<hr/>
Capital and reserves			
Share capital	17	-	-
Profit and loss account	18	-	-
Shareholders' funds	19	-	-
		<hr/>	<hr/>

The financial statements were approved by the board of directors and authorised for issue on 27 July 2011



M L Widders
Director

The notes on pages 10 to 24 form part of these financial statements

Pennybridge Limited

Consolidated cash flow statement for the period from 29 March 2010 to 3 April 2011

	Note	Period ended 3 April 2011 £'000	Period ended 28 March 2010 £'000
Net cash (outflow) from operating activities	23	(82)	(273)
Returns on investments, capital expenditure and servicing of finance			
Interest paid		(152)	(153)
Payments to acquire tangible fixed assets		(17)	(1)
Cash outflow before financing		(251)	(427)
Financing		-	-
(Decrease) in cash	24	(251)	(427)

The notes on pages 10 to 24 form part of these financial statements

Pennybridge Limited

Notes forming part of the financial statements for the period from 29 March 2010 to 3 April 2011

1 Accounting policies

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

The following principal accounting policies have been applied

Going concern

At 3 April 2011, the group had net liabilities of £3.8m and made a loss in the period of £0.8m. The directors have prepared projections that demonstrate the group has access to sufficient cash resources to continue trading for the foreseeable future and also a plan to improve profitability. For these reasons, the accounts have been prepared on a going concern basis.

Basis of consolidation

The consolidated financial statements incorporate the results of Pennybridge Limited and all of its subsidiary undertakings as at 3 April 2011 using the merger method of accounting following a historical group reconstruction.

The investments in the subsidiary undertakings are recorded in the Company's balance sheet at the nominal value of the shares issued.

In the consolidated financial statements, the merged subsidiary undertakings are treated as if they had always been members of the Group. The financial statements reflect the position that would have arisen as if the Company and the subsidiary undertakings had been combined throughout the relevant periods.

Turnover

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

Depreciation

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

Plant and machinery	-	3 – 25 years
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Intangible assets

Purchased intangible fixed assets are capitalised within fixed assets at cost and are amortised evenly over their expected useful lives. It is calculated at the following rate:

Intellectual property licenses	-	20 years
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Impairment of intangible assets

The need for any intangible asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

Pennybridge Limited

Notes forming part of the financial statements for the period from 29 March 2010 to 3 April 2011 (*Continued*)

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 completion and disposal.

Significant estimating techniques are used by the directors in the valuation of net realisable value.

Dividends

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

Dividends on shares wholly recognised as liabilities are recognised as expenses and classified within interest payable.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the year of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pennybridge Limited

Notes forming part of the financial statements for the period from 29 March 2010 to 3 April 2011 (*Continued*)

1 Accounting policies (*Continued*)

Foreign currency

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets translated into sterling at the rates of exchange ruling on the balance sheet dates. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to reserves.

All other differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable.

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

Related party disclosure

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related party disclosures', not to disclose transactions with members or investees of the group headed by Pennybridge Limited on the grounds that at least 100% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

Pennybridge Limited

Notes forming part of the financial statements
for the period from 29 March 2010 to 3 April 2011 (*Continued*)

2 Turnover

	Period ended 3 April 2011 £'000	Period ended 28 March 2010 £'000
Analysis by geographical market		
United Kingdom	5,320	6,305
North America	147	102
Rest of the world	854	853
	<u>6,321</u>	<u>7,260</u>

Turnover is wholly attributable to the principal activity of the group and originated wholly in the United Kingdom

3 Operating loss

	Period ended 3 April 2011 £'000	Period ended 28 March 2010 £'000
This is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	125	122
Amortisation of other intangible fixed assets	53	52
Impairment of intangible fixed assets	675	-
Hire of plant and machinery – operating leases	51	49
Auditors' remuneration		
Group – audit services	19	19
Group – non audit services	-	-
Exchange differences	(32)	(40)
	<u></u>	<u></u>

All audit fees are borne by CWV Limited

Pennybridge Limited

Notes forming part of the financial statements
for the period from 29 March 2010 to 3 April 2011 (*Continued*)

4 Employees

	Period ended 3 April 2011 £'000	Period ended 28 March 2010 £'000
Staff costs (including directors) consist of		
Wages and salaries	1,022	1,080
Social security costs	109	115
Other pension costs	48	48
	<u>1,179</u>	<u>1,243</u>

The average number of employees (including directors) during the period were as follows

	Period ended 3 April 2011 Number	Period ended 28 March 2010 Number
Sales	9	10
Administration	17	19
Production	4	4
	<u>30</u>	<u>33</u>

There are no employees employed by the company (2010 – Nil)

5 Directors' remuneration

	Period ended 3 April 2011 £'000	Period ended 31 March 2010 £'000
Emoluments	116	116
Company contributions to money purchase pension schemes	9	9
	<u>125</u>	<u>125</u>

There was one director in the group's defined contribution pension scheme during the period (2010 – 1)

Pennybridge Limited

Notes forming part of the financial statements
for the period from 29 March 2010 to 3 April 2011 (*Continued*)

6 Interest payable and similar charges

	Period ended 3 April 2011 £'000	Period ended 28 March 2010 £'000
Bank loans and overdrafts	152	153
Preference share dividends (note 17)	-	558
	<u>152</u>	<u>711</u>

7 Taxation on loss on ordinary activities

	Period ended 3 April 2011 £'000	Period ended 28 March 2010 £'000
<i>UK corporation tax</i>		
Current tax on loss for the period	(290)	(157)

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below

	Period ended 3 April 2011 £'000	Period ended 28 March 2010 £'000
Loss on ordinary activities before tax	(1,114)	(1,178)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 28.0% (2010 – 28.0%)	(312)	(330)
Effect of		
Expenses not deductible for tax purposes	2	159
Depreciation in excess of capital allowances	18	14
Group relief surrendered before payment	292	157
Payment due from group relief recipient	(292)	(157)
Short term timing differences	-	-
Adjustments in respect of previous periods	2	-
	<u>(290)</u>	<u>(157)</u>

Pennybridge Limited

Notes forming part of the financial statements
for the period from 29 March 2010 to 3 April 2011 (*Continued*)

8 Profit for the financial period

The company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group loss for the period includes a loss after tax of £nil (2010 - £nil) which is dealt with in the financial statements of the parent company.

9 Intangible assets

	Intellectual property licenses £'000
Group	
<i>Cost</i>	
At 29 March 2010	1,050
	<hr/>
At 3 April 2011	1,050
	<hr/>
<i>Amortisation</i>	
At 29 March 2010	322
Provided for the period	53
Impairment for the period	675
	<hr/>
At 3 April 2011	1,050
	<hr/>
<i>Net book value</i>	
At 3 April 2011	-
	<hr/>
At 29 March 2010	728
	<hr/>

The group has continued to record a loss which has led the directors to reconsider the carrying value of the intellectual property intangible asset which is in respect of specific products sold by the group. Given the lack of certainty over the ability to recover the value of this it has been decided to fully impair the intangible asset. £675,000 has been included within administrative expenses as an impairment charge.

Pennybridge Limited

Notes forming part of the financial statements
for the period from 29 March 2010 to 3 April 2011 (*Continued*)

10 Tangible assets

Group	Plant and machinery £'000
<i>Cost</i>	
At 29 March 2010	2,134
Additions	17
At 3 April 2011	2,151
<i>Depreciation</i>	
At 29 March 2010	1,674
Provided for the period	125
At 3 April 2011	1,799
<i>Net book value</i>	
At 3 April 2011	352
At 29 March 2010	460

11 Fixed asset investments

Company	Group undertakings £'000
<i>Cost</i>	
At 29 March 2010 and 3 April 2011	-
<i>Subsidiary undertakings</i>	

The principal undertakings in which the company's interest at the year end is 20% or more as follows

	Country of Incorporation Or registration	Class of share capital held	Proportion of share capital held	Nature of business
CWV Limited	England and Wales	Ordinary	100%	Design and distribution of home furnishings
Crown Wallpapers Limited	England and Wales	Ordinary	100%	*Dormant
CWVA Limited	England and Wales	Ordinary	100%	*Dormant
John Wilman Ltd	England and Wales	Ordinary	100%	*Dormant

The results of all of the above undertakings are included in the consolidated accounts

* Interest held by subsidiary undertaking

Pennybridge Limited

Notes forming part of the financial statements
for the period from 29 March 2010 to 3 April 2011 (Continued)

12 Stocks

	Group 3 April 2011 £'000	Group 28 March 2010 £'000	Company 3 April 2011 £'000	Company 28 March 2010 £'000
Finished goods and goods for resale	1,101	970	-	-

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

13 Debtors

	Group 3 April 2011 £'000	Group 28 March 2010 £'000	Company 3 April 2011 £'000	Company 28 March 2010 £'000
Trade debtors	1,871	1,925	-	-
Prepayments and accrued income	79	100	-	-
Other debtors	557	157	-	-
	<u>2,507</u>	<u>2,182</u>	<u>-</u>	<u>-</u>

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

14 Creditors' amounts falling due within one year

	Group 3 April 2011 £'000	Group 28 March 2010 £'000	Company 3 April 2011 £'000	Company 28 March 2010 £'000
Bank overdraft (secured)	6,610	6,359	-	-
Trade creditors	450	514	-	-
Taxation and social security	213	46	-	-
Other creditors	491	959	-	-
	<u>7,764</u>	<u>7,878</u>	<u>-</u>	<u>-</u>

The bank overdraft is secured by way of a fixed and floating charge over the assets of the group

Pennybridge Limited

Notes forming part of the financial statements
for the period from 29 March 2010 to 3 April 2011 (*Continued*)

15 Creditors amounts falling due after more than one year

	Group 3 April 2011 £'000	Group 28 March 2010 £'000	Company 3 April 2011 £'000	Company 28 March 2010 £'000
Preference shares (see note 17)	-	9,300	-	-

Maturity of debt

Group

	Loans and Overdrafts 3 April 2011 £'000	Loans and Overdrafts 28 March 2010 £'000
In one year or less, or on demand	6,610	6,359
In more than one year but no more than five years	-	9,300

16 Provisions for liabilities

Group

Deferred taxation

There is no provision for deferred taxation. The amounts not provided are set out below

	3 April 2011 £'000	28 March 2010 £'000
Accelerated capital allowances	30	50
Sundry timing differences	(11)	(12)
	<u>19</u>	<u>38</u>
Utilised tax losses	(652)	(702)
	<u>(633)</u>	<u>(664)</u>

A deferred tax asset has not been recognised in accordance with generally accepted practice as it is not considered appropriate to recognise an asset where utilisation is not sufficiently certain

Pennybridge Limited

Notes forming part of the financial statements
for the period from 29 March 2010 to 3 April 2011 (Continued)

17 Share capital

Group	Authorised		Allotted, called up and fully paid	
	3 April 2011	28 March 2010	3 April 2011	28 March 2010
	£	£	£	£
Ordinary shares of £1 each	1,000	1,000	1	1
Redeemable preference shares of £1 each	9,300,000	9,300,000	-	9,300,000
	9,301,000	9,301,000		

Company	Authorised		Allotted, called up and fully paid	
	3 April 2011	28 March 2010	3 April 2011	28 March 2010
	£	£	£	£
Ordinary shares of £1 each	1,000	1,000	1	1

In accordance with FRS25, 'Financial instruments, disclosures and presentation' the preference shares represented liabilities and were included within creditors

The preference shares were redeemable at the earlier of a sale, listing or the administration or liquidation of the company or 1 April 2012. They carried a fixed cumulative dividend of 6% per annum, which under FRS25, is included in the profit and loss account as interest.

On 15 November 2010, CWV Limited issued one new ordinary share of £1 and bought back its £9,300,000 redeemable preference shares from Guild Ventures Limited for £1. All rights to accrued dividends on the redeemable preference shares were also waived by Guild Ventures Limited.

Dividends accrued during the year and £558,000 of accumulated dividends have been waived whilst the £9,300,000 preference shares have been transferred to a capital redemption reserve.

18 Reserves

Group	Capital redemption	Profit and loss account
	£'000	£'000
At 29 March 2010	-	(12,838)
Loss for the period	-	(824)
Preference share buy-back (see note 17)	9,300	558
At 3 April 2011	9,300	(13,104)

The company had no reserves at either the current or prior period end

Pennybridge Limited

Notes forming part of the financial statements
for the period from 29 March 2010 to 3 April 2011 (*Continued*)

19 Reconciliation of movements in shareholders' deficit

	Group 3 April 2011 £'000	Group 28 March 2010 £'000	Company 3 April 2011 £'000	Company 28 March 2010 £'000
Loss for the period	(824)	(1,021)	-	-
Opening shareholders' deficit	(12,838)	(11,817)	-	-
Preference share buy-back (see note 17)	9,858	-	-	-
Closing shareholders' deficit	<u>(3,804)</u>	<u>(12,838)</u>	<u>-</u>	<u>-</u>

20 Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge amounted to £48,000 (2010 - £48,000). There were no outstanding or prepaid contributions at either the beginning or end of the financial period.

21 Commitments under operating leases

The group had annual commitments under non-cancellable operating leases as set out below:

	3 April 2011 £'000	28 March 2010 £'000
Operating leases which expire		
Within one year	2	6
In two to five years	29	26
	<u>31</u>	<u>32</u>

The company had no annual commitments under non-cancellable operating leases at either the current or prior period year end.

Pennybridge Limited

Notes forming part of the financial statements
for the period from 29 March 2010 to 3 April 2011 (*Continued*)

22 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by Pennybridge Limited on the grounds that all of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements

Related party transactions and balances

As at 3 April 2011, the group owed Guild Ventures Limited £nil (2010 - £558,000) in fixed cumulative dividends which had accrued during the accounting period following the buy-back of preference shares and dividend waiver (note 17)

The group surrendered its tax losses for the period ended 3 April 2011 to provide group relief to Trust Inns Limited of £1,043,341 (2010 - £561,188) In exchange for this surrender of losses Trust Inns agreed to remit £290,168 (2010 - £157,133) to the group, this amount is included within other debtors

During the period the group paid rent of £82,000 (2010 - £73,000) to Northern Trust Company Limited

The ultimate controlling party of Northern Trust Company Limited, Guild Ventures Limited and Trust Inns Limited is Wordon Limited, being the same as that of Pennybridge Limited

23 Reconciliation of operating loss to net cash outflow from operating activities

	Period ended 3 April 2011 £'000	Period ended 28 March 2010 £'000
Operating loss	(962)	(467)
Amortisation of intangible fixed assets	53	52
Depreciation of tangible fixed assets	125	122
Impairment of intangible fixed assets	675	-
(Increase)/decrease in stocks	(131)	431
Increase in debtors	(35)	(337)
Increase/(decrease) in creditors	193	(74)
Net cash outflow from operating activities	<u>(82)</u>	<u>(273)</u>

Pennybridge Limited

Notes forming part of the financial statements
for the period from 29 March 2010 to 3 April 2011 (*Continued*)

24 Reconciliation of net cash flow to movement in net debt

	Period ended 3 April 2011 £'000	Period ended 28 March 2010 £'000
(Decrease)/increase in cash	(251)	(427)
Cash inflow from changes in debt	-	-
Movement in net debt resulting from cash flows	(251)	(427)
Movement in net debt resulting from non-cash flows	9,300	-
Opening net debt	(15,659)	(15,232)
Closing net debt	(6,610)	(15,659)

25 Analysis of net debt

	At 29 March 2010 £'000	Cash flow £'000	Non cash flow £'000	At 3 April 2011 £'000
Cash at bank and in hand	-	-	-	-
Bank overdraft	(6,359)	(251)	-	(6,610)
	(6,359)	(251)		(6,610)
Debt due within one year	-	-	-	-
Debt due after one year	(9,300)	-	9,300	-
Total	(15,659)	(251)	9,300	(6,610)

Pennybridge Limited

**Notes forming part of the financial statements
for the period from 29 March 2010 to 3 April 2011 (*Continued*)**

26 Ultimate parent company and parent undertaking of larger group

At 3 April 2011, the company's ultimate controlling party is Wordon Limited, a company incorporated in the Isle of Man and wholly owned by the family interests of Mr TJ Hemmings. Wordon Limited does not prepare consolidated accounts.

27 Post balance sheet events

On 12 May 2011, Guild Ventures Limited advanced £3,000,000 to the group by way of a subordinated loan and this receipt was used to repay part of the group's bank debt. On the same date, the group entered into new banking facilities totalling £3,700,000 for the period to 31 December 2013.