

# **Pennybridge Limited**

Report and Financial Statements

1 April 2012

Company number 5404942

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# **Pennybridge Limited**

**Annual report and financial statements  
for the period from 4 April 2011 to 1 April 2012**

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## **Directors**

J C Kay  
M L Widders  
K Revitt

## **Secretary and registered office**

M L Widders  
Gleadhill House  
Dawbers Lane  
Euxton  
Chorley  
PR7 6EA

## **Company number**

5404942

## **Auditors**

BDO LLP  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

# **Pennybridge Limited**

## **Report of the directors for the period from 4 April 2011 to 1 April 2012**

The directors present their report together with the audited financial statements for the period ended 1 April 2012

### **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 1 April 2012, with an improved operating performance and the company has continued to make progress in improving margins and reducing costs. During the year a £9,000 operating profit was achieved compared to a £962,000 loss in the previous year, reflecting the focus on higher margin business. Despite this though, the group has continued to record a loss after tax. The focus for 2012 / 2013 continues to be on sales growth, along with a continuation of the improvement in margins and reduction in costs and a return to profitability overall.

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 year 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 £2,935 (2011 - £2,500). 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 4 April 2011 to 1 April 2012 (Continued)**

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### **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 1 April 2012 was 37 days (2011 – 44 days).

### **Directors**

The directors of the company during the year were

J C Kay

M L Widders

K Revitt (appointed 5 April 2011)

None of the directors who held office at the end of the financial year 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 year.

### **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 year. 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 year.

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 4 April 2011 to 1 April 2012 (*Continued*)

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### 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 2012

# **Pennybridge Limited**

## **Report of the independent auditors**

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### **To the members of Pennybridge Limited**

We have audited the financial statements of Pennybridge Limited for the period ended 1 April 2012 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](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 group's and parent company's affairs as at 1 April 2012 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*)

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### *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 1 AUGUST 2012

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 4 April 2011 to 1 April 2012

	Note	Period ended 1 April 2012 £'000	Period ended 3 April 2011 £'000
<b>Turnover</b>	2	5,917	6,321
Cost of sales		(3,605)	(3,986)
<b>Gross profit</b>		2,312	2,335
Distribution costs		(701)	(718)
Administrative expenses		(1,602)	(2,579)
<b>Operating profit/(loss)</b>	3	9	(962)
Interest payable and similar charges	6	(182)	(152)
<b>Loss on ordinary activities before taxation</b>		(173)	(1,114)
Taxation	7	26	290
<b>Loss on ordinary activities after taxation for the financial period</b>		(147)	(824)

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 23 form part of these financial statements



# Pennybridge Limited

## Consolidated balance sheet at 1 April 2012

	Note	1 April 2012 £'000	1 April 2012 £'000	3 April 2011 £'000	3 April 2011 £'000
<b>Fixed assets</b>					
Tangible assets	9		255		352
<b>Current assets</b>					
Stocks	11	917		1,101	
Debtors	12	1,124		2,507	
Cash at bank and in hand		-		-	
		<u>2,041</u>		<u>3,608</u>	
<b>Creditors amounts falling due within one year</b>	13	<u>(6,247)</u>		<u>(7,764)</u>	
<b>Net current liabilities</b>			(4,206)		(4,156)
<b>Net liabilities</b>			<u>(3,951)</u>		<u>(3,804)</u>
<b>Capital and reserves</b>					
Share capital	15		-		-
Capital Redemption Reserve	16		9,300		9,300
Profit and loss account	16		(13,251)		(13,104)
<b>Shareholders' deficit</b>	17		<u>(3,951)</u>		<u>(3,804)</u>

The financial statements were approved by the board of directors and authorised for issue on 27 July 2012



M L Widders  
Director

The notes on pages 10 to 23 form part of these financial statements

# Pennybridge Limited

## Company balance sheet at 1 April 2012

Company number 5404942	Note	1 April 2012 £'000	3 April 2011 £'000
<b>Fixed assets</b>			
Fixed asset investment	10	-	-
		<hr/>	<hr/>
<b>Current assets</b>			
			-
<b>Total assets less current liabilities</b>		-	-
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Share capital	15	-	-
Profit and loss account	16	-	-
		<hr/>	<hr/>
<b>Shareholders' funds</b>	17	-	-
		<hr/>	<hr/>

The financial statements were approved by the board of directors and authorised for issue on 27 July 2012



**M L Widders**  
Director

The notes on pages 10 to 23 form part of these financial statements

# Pennybridge Limited

## Consolidated cash flow statement for the period from 4 April 2011 to 1 April 2012

	Note	Period ended 1 April 2012 £'000	Period ended 3 April 2011 £'000
<b>Net cash inflow/(outflow) from operating activities</b>	21	684	(82)
<b>Returns on investments, capital expenditure and servicing of finance</b>			
Interest paid		(182)	(152)
Payments to acquire tangible assets		(27)	(17)
Taxation		458	-
<b>Cash inflow / (outflow) before financing</b>		933	(251)
<b>Financing</b>		-	-
Increase in short term borrowings		3,000	-
Repayment of short term borrowings		(3,000)	-
<b>Increase / (Decrease) in cash</b>	22	933	(251)

The notes on pages 10 to 23 form part of these financial statements

# Pennybridge Limited

## Notes forming part of the financial statements for the period from 4 April 2011 to 1 April 2012

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### 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 1 April 2012, the group had net liabilities of £3.9m (2011 - £3.8m) and made a loss in the year of £0.2m (2011 - £0.8m). The directors have prepared projections that demonstrate the group has access to sufficient cash resources to continue trading for at least twelve months from the date of approval of these financial statements 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 1 April 2012 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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#### *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.

#### *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.

# Pennybridge Limited

## Notes forming part of the financial statements for the period from 4 April 2011 to 1 April 2012 (*Continued*)

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### 1 Accounting policies (*Continued*)

#### *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 4 April 2011 to 1 April 2012 (*Continued*)

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### 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 year 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 year 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 4 April 2011 to 1 April 2012 (*Continued*)

## 2 Turnover

	Period ended 1 April 2012 £'000	Period ended 3 April 2011 £'000
Analysis by geographical market		
United Kingdom	4,899	5,320
North America	140	147
Rest of the world	878	854
	<u>5,917</u>	<u>6,321</u>

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

## 3 Operating profit/(loss)

	Period ended 1 April 2012 £'000	Period ended 3 April 2011 £'000
This is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	124	125
Amortisation of other intangible fixed assets	-	53
Impairment of intangible fixed assets	-	675
Hire of plant and machinery – operating leases	38	51
Auditors' remuneration		
Group – audit services	19	19
Group – non audit services	-	-
Exchange differences	(12)	(32)
	<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 4 April 2011 to 1 April 2012 (*Continued*)

## 4 Employees

Group	Period ended 1 April 2012 £'000	Period ended 3 April 2011 £'000
Staff costs (including directors) consist of		
Wages and salaries	871	1,022
Social security costs	100	109
Other pension costs	40	48
	<u>1,011</u>	<u>1,179</u>

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

Group	Period ended 1 April 2012 Number	Period ended 3 April 2011 Number
Sales	8	9
Administration	12	17
Production	4	4
	<u>24</u>	<u>30</u>

There are no employees employed by the company (2011 – Nil)

## 5 Directors' remuneration

	Period ended 1 April 2012 £'000	Period ended 3 April 2011 £'000
Emoluments	116	116
Company contributions to money purchase pension schemes	9	9

There was one director in the group's defined contribution pension scheme during the period (2011 – 1)



# Pennybridge Limited

Notes forming part of the financial statements  
for the period from 4 April 2011 to 1 April 2012 (*Continued*)

## 6 Interest payable and similar charges

	Period ended 1 April 2012 £'000	Period ended 3 April 2011 £'000
Bank loans and overdrafts	182	152
	<u>182</u>	<u>152</u>

## 7 Taxation on loss on ordinary activities

	Period ended 1 April 2012 £'000	Period ended 3 April 2011 £'000
<i>UK corporation tax</i>		
Current tax on loss for the year	(26)	(290)
	<u></u>	<u></u>

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

	Period ended 1 April 2012 £'000	Period ended 3 April 2011 £'000
Loss on ordinary activities before tax	(173)	(1,114)
	<u></u>	<u></u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 26.0% (2011 – 28.0%)	(45)	(312)
Effect of		
Expenses not deductible for tax purposes	4	2
Depreciation in excess of capital allowances	19	18
Group relief surrendered before payment	22	292
Payment due from group relief recipient	(22)	(292)
Other timing differences	(13)	-
Adjustments in respect of previous years	9	2
	<u>(26)</u>	<u>(290)</u>

# Pennybridge Limited

Notes forming part of the financial statements  
for the period from 4 April 2011 to 1 April 2012 (*Continued*)

## 8 Profit for the financial year

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 year includes a loss after tax of £nil (2011 - £nil) which is dealt with in the financial statements of the parent company.

## 9 Tangible assets

Group	Plant and machinery £'000
<i>Cost</i>	
At 4 April 2011	2,151
Additions	27
At 1 April 2012	<u>2,178</u>
<i>Depreciation</i>	
At 4 April 2011	1,799
Provided for the year	124
At 1 April 2012	<u>1,923</u>
<i>Net book value</i>	
At 1 April 2012	<u>255</u>
At 4 April 2011	<u>352</u>
There are no fixed assets held by the company	<u>          </u>

# Pennybridge Limited

Notes forming part of the financial statements  
for the period from 4 April 2011 to 1 April 2012 (Continued)

## 10 Fixed asset investments

Company	Group undertakings £'000
---------	-----------------------------

Cost

At 4 April 2011 and 1 April 2012

-

Subsidiary undertakings

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

Crown Wallpapers Limited and CWVA Limited were dissolved post year end

\* Interest held by subsidiary undertaking

## 11 Stocks

	Group 1 April 2012 £'000	Group 3 April 2011 £'000	Company 1 April 2012 £'000	Company 3 April 2011 £'000
Finished goods and goods for resale	917	1,101	-	-

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

# Pennybridge Limited

Notes forming part of the financial statements  
for the period from 4 April 2011 to 1 April 2012 (Continued)

## 12 Debtors

	Group 1 April 2012 £'000	Group 3 April 2011 £'000	Company 1 April 2012 £'000	Company 3 April 2011 £'000
Trade debtors	983	1,871	-	-
Prepayments and accrued income	113	79	-	-
Other debtors	28	557	-	-
	<u>1,124</u>	<u>2,507</u>	<u>-</u>	<u>-</u>

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

## 13 Creditors. amounts falling due within one year

	Group 1 April 2012 £'000	Group 3 April 2011 £'000	Company 1 April 2012 £'000	Company 3 April 2011 £'000
Bank loans and overdrafts (secured)	2,677	6,610	-	-
Trade creditors	261	450	-	-
Amounts owed to related parties	3,000	-	-	-
Taxation and social security	119	213	-	-
Other creditors	190	491	-	-
	<u>6,247</u>	<u>7,764</u>	<u>-</u>	<u>-</u>

The bank loan is secured by way of a fixed and floating charge over the assets of the group. During the year there was a breach of a financial covenant. A waiver letter has been obtained post year end and all bank facilities remain in place to December 2013.

# Pennybridge Limited

Notes forming part of the financial statements  
for the period from 4 April 2011 to 1 April 2012 (*Continued*)

## 14 Provisions for liabilities

### Group

#### *Deferred taxation*

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

	1 April 2012 £'000	3 April 2011 £'000
Accelerated capital allowances	10	30
Sundry timing differences	(7)	(11)
	<u>3</u>	<u>19</u>
Utilised tax losses	(602)	(652)
	<u>(599)</u>	<u>(633)</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

## 15 Share capital

	1 April 2012 £	Allotted, called up and fully paid 3 April 2011 £
Ordinary shares of £1 each	1	1
Redeemable preference shares of £1 each	-	-

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

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

# Pennybridge Limited

Notes forming part of the financial statements  
for the period from 4 April 2011 to 1 April 2012 (*Continued*)

## 16 Reserves

Group	Capital redemption £'000	Profit and loss account £'000
At 4 April 2011	9,300	(13,104)
Loss for the period	-	(147)
At 1 April 2012	<u>9,300</u>	<u>(13,251)</u>

## 17 Reconciliation of movements in shareholders' deficit

	Group 1 April 2012 £'000	Group 3 April 2011 £'000	Company 1 April 2012 £'000	Company 3 April 2011 £'000
Loss for the period	(147)	(824)	-	-
Opening shareholders' deficit	(3,804)	(12,838)	-	-
Preference share buy-back (see note 15)	-	9,858	-	-
Closing shareholders' deficit	<u>(3,951)</u>	<u>(3,804)</u>	<u>-</u>	<u>-</u>

## 18 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 £40,000 (2011 - £48,000). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

# Pennybridge Limited

Notes forming part of the financial statements  
for the period from 4 April 2011 to 1 April 2012 (*Continued*)

## 19 Commitments under operating leases

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

	1 April 2012 £'000	3 April 2011 £'000
Operating leases which expire		
Within one year	13	2
In two to five years	20	29
	<u>33</u>	<u>31</u>

## 20 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 1 April 2012, the group owed Guild Ventures Limited £3,000,000 (2011 - £nil), this amount is included within amounts owed to related parties

The group surrendered its tax losses for the year ended 1 April 2012 to provide group relief to Crown Leisure Finance Limited £9,306 (2011 - £nil), Crown Entertainment Centres Limited £67,681 (2011 - £nil), Six Piers Limited £9,377 (2011 - £nil), Trust Inns Limited of £nil (2011 - £1,043,341), and Northern Trust Company Limited £50,000 (2011 - £nil). In exchange for this surrender of losses these companies agreed to remit £26,000 (2011 - £290,168) to the group, this amount is included within other debtors

During the year the group paid rent of £82,000 (2011 - £82,000) to Northern Trust Company Limited

The ultimate controlling party of Crown Leisure Finance Limited, Crown Entertainment Centres Limited, Six Piers Limited, Northern Trust Company Limited, Guild Ventures Limited and Trust Inns Limited is Wordon Limited, being the same as that of the company

# Pennybridge Limited

Notes forming part of the financial statements  
for the period from 4 April 2011 to 1 April 2012 (*Continued*)

## 21 Reconciliation of operating profit / (loss) to net cash outflow from operating activities

	Period ended 1 April 2012 £'000	Period ended 3 April 2011 £'000
Operating profit/(loss)	9	(962)
Amortisation of intangible fixed assets	-	53
Depreciation of tangible fixed assets	124	125
Impairment of intangible fixed assets	-	675
Decrease/(increase) in stocks	184	(131)
Decrease/(increase) in debtors	951	(35)
(Decrease)/increase in creditors	(584)	193
Net cash inflow/(outflow) from operating activities	684	(82)

## 22 Reconciliation of net cash flow to movement in net debt

	Period ended 1 April 2012 £'000	Period ended 3 April 2011 £'000
Increase / (decrease) in cash	933	(251)
Cash inflow from changes in debt	-	-
Movement in net debt resulting from cash flows	933	(251)
Movement in net debt resulting from non-cash flows	-	9,300
Opening net debt	(6,610)	(15,659)
Closing net debt	(5,677)	(6,610)



# Pennybridge Limited

Notes forming part of the financial statements  
for the period from 4 April 2011 to 1 April 2012 (*Continued*)

## 23 Analysis of net debt

	At 4 April 2011 £'000	Cash flow £'000	Non cash flow £'000	At 1 April 2012 £'000
Cash at bank and in hand	-	-	-	-
Bank overdraft	(6,610)	3,933	-	(2,677)
	<u>(6,610)</u>	<u>3,933</u>	<u>-</u>	<u>(2,677)</u>
Debt due within one year	-	(3,000)	-	(3,000)
Debt due after one year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>(6,610)</u>	<u>933</u>	<u>-</u>	<u>(5,677)</u>

## 24 Ultimate parent company and parent undertaking of larger group

At 1 April 2012, 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.

The largest and smallest group in which the results of the company are consolidated is that headed by Pennybridge Limited, a company incorporated in England and Wales.

## 25 Post balance sheet events

On 27<sup>th</sup> April 2012 the group sold its Anaglypta brand and business for a total consideration of £595,000.