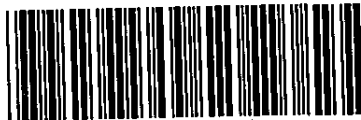


BEDS & BARS LIMITED

Financial statements

For the year ended 31 March 2012

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COMPANIES HOUSE

no: 06500765

Beds & Bars Limited
COMPANY INFORMATION

DIRECTORS	K C Knowles F J Knowles T R Sykes A D Searle
SECRETARY	T R Sykes
COMPANY NUMBER	05500765
REGISTERED OFFICE	Overlord House 1D Colet Gardens Hammersmith London W14 9DH
AUDITOR	Baker Tilly UK Audit LLP 25 Farringdon Street London EC4B 4AB
BUSINESS ADDRESS	Overlord House 1D Colet Gardens Hammersmith London W14 9DH
PRINCIPAL BANKERS	Lloyds TSB London West End Branch St James' Gate 14/16 Cockspur Street London SW1Y 5BL

Beds & Bars Limited

DIRECTORS' REPORT

For the year ended 31 March 2012

The directors present the audited consolidated financial statements for the year ended 31 March 2012

PRINCIPAL ACTIVITIES

The company is a non-trading holding company. The principal activities of the subsidiaries are as follows:

St Christopher's Holdings Limited	Dormant holding company
Interpub Limited	Licensed public house with ancillary budget accommodation
St Christopher's (Amsterdam) BV	Licensed public house with ancillary budget accommodation
St Christopher's (Bruges) NV	Licensed public house with ancillary budget accommodation
St Christopher's (Berlin) GmbH	Licensed public house with ancillary budget accommodation
St Christopher's (Paris) SAS	Licensed public house with ancillary budget accommodation

RESULTS AND DIVIDENDS

The group's profit for the year, after tax and minority interest, was £223,003 (2011: £6,477)

The directors do not recommend the payment of an ordinary dividend

DIRECTORS

The following directors have held office since 27 March 2011:

K C Knowles
F J Knowles
T R Sykes
A D Searle
P A Sykes

(Resigned 9 July 2012)

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The business has continued to perform well during the financial year, group turnover increased by 5% on a like for like basis, this is despite the effect of a weakening conversion rate on our Euro denominated incomes. Operating profit for the period increased to £1,466,778 (2011: £1,401,502)

One of the key performance indicators for the business is EBITDA (earnings before interest, tax, depreciation and amortisation) which is presented within the financial statements. This indicator of cash generated increased to £2,961,127 (2011: £2,807,377) a 7% improvement.

We continue to invest in both the general upkeep of the estate and capital items such as new bed stock to ensure customer standards are maintained.

During the financial year specific projects to renovate the Hammersmith Belushi's bar and the conversion of a hotel building in Bruges to a premium cabin style hostel were completed.

Investment in our core technology infrastructure has continued during the year, specifically the completion of a bespoke property management / customer relation management system which began roll out to our sites in November 2011. This system, unique in the Hostel industry, will combine with our in-house developed booking engine to enable the maximisation of accommodation incomes and a superior customer experience during the booking process.

Our internal web development team released both the new Belushi's website and Belushi's mobile version which supports the continued refinement of our core bar brand, <http://www.belushis.com/> with the increasing emphasis on food sales. The development included integrating an advanced pre-booking system and a customer relationship system, Belushi's VIP.

The refurbishment of the company's new joint venture site in Barcelona continued during the year, with subsequent opening in September 2012, the site is a fantastic addition to the Group's portfolio and represents the latest evolution of our combined Belushi's bar experience and superior hostel accommodation offering over 400 beds via a combination of our premium cabin style beds and private en-suite rooms.

The group continues to leverage its unique position as the most established and geographically diverse hostel and bar operator in Europe. The group is set for further growth both organically and via the new sites under development during this financial year.

Beds & Bars Limited
DIRECTORS' REPORT (CONTINUED)
For the year ended 31 March 2012

FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The group uses a variety of financial instruments including cash, equity investments and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to provide working capital for the group's operations. The existence of these financial instruments exposes the group to a number of financial risks, which are described in more detail below. The main risks arising from the group's financial instruments are cash flow interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Market risk

Market risk encompasses four types of risk, being currency risk, liquidity risk, interest rate risk and credit risk. The group's policies for managing these risks are detailed below.

Currency risk

The group is exposed to translation and transaction foreign exchange risk. In relation to translation risk, as far as possible the assets held in the foreign currency are matched to an appropriate level of borrowings in the same currency. The servicing of this borrowing then takes place from the foreign currency income streams associated with these assets.

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Interest rate risk

The group finances its operations through a mixture of retained profits and group and bank borrowings. Where appropriate the group has hedged a proportion of overall interest rate exposure by agreeing fixed rates of interest on part of its borrowing. Furthermore the group has looked to manage interest rate exposure through funding future acquisitions with a greater proportion of equity and retained profits than in previous years.

Credit risk

A very small proportion of group sales are to credit customers. Bar sales are for cash, while accommodation sales are paid by the customer in advance. Therefore, there is no material credit risk associated with the business.

KEY PERFORMANCE INDICATORS

The board monitors the group's performance by reference to internal budgets and three main key performance indicators (KPIs). These KPIs are EBIT (earnings before interest and tax), EBITDA (earnings before interest, tax, depreciation and amortisation) and operating cash flows. These are reviewed and managed on a regular basis by the executive team.

EMPLOYEE INVOLVEMENT

The Beds and Bars Group has continued to invest in people at all levels in the organisation, as we see this as a key factor in maintaining and improving performance in all aspects of our business. The emphasis on internal development through our award winning footsteps training programme, as well as encouraging employees to take an active role in their career has helped to ensure ongoing employee engagement and retention. It has also helped to ensure that the majority of our new managers are promoted from within, having successfully come through the group training programme.

In addition we have continued to invest in our employee rewards systems. Performance related bonus schemes, together with the development of our employee benefits package has continued to ensure our success in both retaining and recruiting the best employees in the hospitality market.

DISABLED PERSONS

Beds and Bars Ltd is an Equal Opportunities employer. It is the group's policy to treat all employees and job applicants fairly and equally regardless of their disability, sex, race, sexual orientation, marital status, colour, nationality, ethnic or national origin. Furthermore the group ensures that no requirements or conditions are imposed without justification that could disadvantage individuals solely on any of the above grounds. The policy applies to all aspects of recruitment, selection, terms and conditions of employment including pay, promotion, training and transfer.

Beds & Bars Limited
DIRECTORS' REPORT (CONTINUED)
For the year ended 31 March 2012

AUDITOR

A resolution to reappoint Baker Tilly UK Audit LLP will be put to the members at the next Annual General Meeting

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

On behalf of the board

T Sykes
Director



21-12-12

Date

Beds & Bars Limited

DIRECTORS' RESPONSIBILITIES

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

Group 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 group 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 the group and of the profit or loss of the group and the group for that year.

In preparing those financial statements the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d prepare the financial statements on the going concern basis unless it is inappropriate to presume the group and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and the group 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 group and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEDS & BARS LIMITED

We have audited the group and parent group financial statements (the "financial statements") on pages 6 to 28. 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 group'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 group'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 group and the group'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 more fully explained in the Directors' Responsibilities Statement set out on page 4, 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

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 THE FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent group's affairs as at 31 March 2012 and of the group's 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.

OPINION ON OTHER MATTERS PRESCRIBED BY 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 by the parent group, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent group 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.

Baker Tilly UK Audit Ltd

PAUL NEWMAN (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory auditor
Chartered Accountants and Registered Auditor
25 Farringdon Street
London
EC4A 4AB

21/12/2012

Beds & Bars Limited
CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2012

	Notes	2012 £	2011 £
Turnover			
Group and share of joint ventures	1	27,820,274	26,069,096
Less 'Share of joint ventures' turnover	1	(1,339,558)	(821,743)
GROUP TURNOVER	1	26,480,716	25,247,353
Cost of sales		(5,270,216)	(4,951,821)
GROSS PROFIT		21,210,500	20,295,532
Other operating expenses (net)	2	(19,743,722)	(18,894,030)
EARNINGS BEFORE INTEREST, TAX DEPRECIATION AND AMORTISATION			
		2,961,127	2,807,377
Depreciation		(1,463,862)	(1,376,121)
Amortisation		(30,487)	(29,754)
GROUP OPERATING PROFIT		1,466,778	1,401,502
Share of operating loss of joint ventures		(391,579)	(117,530)
Investment income	3	1,075,199	1,283,972
Interest payable	4	1,930	38,308
		(729,446)	(902,112)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	347,683	420,168
Tax on profit on ordinary activities	8	(80,639)	(402,753)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		267,044	17,415
Attributable to minority interest		(44,041)	(10,938)
RETAINED PROFIT	19	223,003	6,477

Beds & Bars Limited

CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES

For the year ended 31 March 2012

	Notes	2012 £	2011 £
Profit for the financial year	19	223,003	6,477
Unrealised surplus on revaluation of properties	19	6,771,679	-
Currency translation loss	19	(158,205)	(103,953)
TOTAL RECOGNISED GAIN/(LOSS) RELATING TO THE YEAR		6,836,477	(97,476)

Beds & Bars Limited
CONSOLIDATED BALANCE SHEET
As at 31 March 2012

Company registration number 05500765

	Notes	2012 £	2011 £
FIXED ASSETS			
Positive goodwill	9	1,720,376	1,829,873
Negative goodwill	9	(373,627)	(389,195)
Intangible assets		1,346,749	1,440,678
Tangible assets	10&11	40,295,371	34,228,579
Investments in joint ventures			
Share of gross assets		8,057,322	9,477,485
Share of gross liabilities		(7,885,512)	(9,301,391)
	12	171,810	176,094
		41,813,930	35,845,351
CURRENT ASSETS			
Stocks	13	216,131	229,469
Debtors	14	1,695,798	2,531,012
Cash at bank and in hand		1,047,287	1,299,428
		2,959,216	4,059,909
CREDITORS amounts falling due within one year	15	(6,198,250)	(6,879,623)
NET CURRENT LIABILITIES		(3,239,034)	(2,819,714)
TOTAL ASSETS LESS CURRENT LIABILITIES		38,574,896	33,025,637
CREDITORS amounts falling due after more than one year	16	(26,012,784)	(27,324,911)
PROVISIONS FOR LIABILITIES	17	(102,317)	(128,969)
Share of net liabilities in joint ventures			
Share of gross assets		281,158	370,638
Share of gross liabilities		(398,368)	(486,582)
		(117,210)	(115,944)
NET ASSETS		12,342,585	5,455,813
CAPITAL AND RESERVES			
Share capital	18	402,711	402,711
Share premium	19	1,967,783	1,967,783
Revaluation reserve	19	9,792,084	3,020,405
Profit and loss account	19	(11,837)	(76,635)
SHAREHOLDER S FUNDS	20	12,150,741	5,314,264
ATTRIBUTABLE TO MINORITY INTERESTS		191,844	141,549
TOTAL CAPITAL EMPLOYED		12,342,585	5,455,813

The financial statements on pages 6 to 28 were approved by the board of directors and authorised for issue on 23-12-12 and are signed on its behalf by

T Sykes, Director

Beds & Bars Limited
COMPANY BALANCE SHEET
As at 31 March 2012

Company registration number 05500765

	Notes	2012 £	2011 £
FIXED ASSETS			
Intangible assets	9	750,000	750,000
Tangible assets	10	25,828	41,580
Investments	12	4,089,576	3,949,992
		<u>4,865,404</u>	<u>4,741,572</u>
CURRENT ASSETS			
Debtors amounts falling due after more than one year	14	8,235,115	8,218,293
Cash at bank and in hand		348,983	651,085
		<u>8,584,098</u>	<u>8,869,378</u>
CREDITORS amounts falling due within one year	15	<u>(1,428,278)</u>	<u>(872,653)</u>
NET CURRENT ASSETS		<u>7,155,820</u>	<u>7,996,725</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,021,224</u>	<u>12,738,297</u>
CREDITORS amounts falling due after more than one year	16	<u>(10,666,395)</u>	<u>(11,849,886)</u>
NET ASSETS		<u>1,354,829</u>	<u>888,411</u>
CAPITAL AND RESERVES			
Share capital	18	402,711	402,711
Share premium	19	1,967,783	1,967,783
Profit and loss account	19	(1,015,665)	(1,482,083)
SHAREHOLDER'S FUNDS	20	<u>1,354,829</u>	<u>888,411</u>

The financial statements on pages 6 to 28 were approved by the board of directors and authorised for issue on 21-12-12, and are signed on its behalf by

T Sykes, Director

Beds & Bars Limited
CONSOLIDATED CASH FLOW STATEMENT
As at 31 March 2012

	Notes	2012 £	2011 £
NET CASH INFLOW OPERATING ACTIVITIES	21 a)	3,212,811	2,550,867
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		1,930	38,308
Bank interest paid		(733,258)	(754,686)
Other interest paid		9,899	(139,262)
Hire purchase interest paid		(6,087)	(4,664)
Net cash outflow from returns on investments and servicing of finance		(727,516)	(860,304)
TAXATION			
Corporation tax paid		-	-
Overseas tax paid		(105,126)	(202,744)
CAPITAL EXPENDITURE			
Payments to acquire intangible fixed assets		(1,724)	-
Payments to acquire tangible fixed assets		(2,101,782)	(1,059,540)
Receipts on sale of tangible fixed assets		11,500	24,501
Net cash outflow for capital expenditure		(2,092,006)	(1,035,039)
ACQUISITIONS AND DISPOSALS			
Purchase of interest in joint ventures		(376,188)	(173,949)
Net cash (outflow)/inflow before management of liquid resources and financing		(88,025)	278,831
FINANCING			
Issue of ordinary share capital to minority interest		15,378	-
New loans		780,731	1,083,792
Loan repayments		(459,983)	(652,404)
Hire purchase repayments		(27,793)	(21,122)
Net cash inflow from financing		308,333	410,266
INCREASE IN CASH IN THE YEAR	21 b) 21 c)	220,308	689,097

Beds & Bars Limited

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The consolidated financial statements comprise those of the group and its subsidiaries made up to 31 March 2012. Subsidiaries acquired during the year are consolidated using the acquisition method. The results of subsidiaries are included in the profit and loss account from the date of acquisition.

GOING CONCERN

The group has seen another strong performance this financial year, with both growth in turnover and profits.

During the financial year the Group agreed the refinancing of various term loans with Lloyds Banking Group. The new 5 year facilities were ratified on 17 April 2012, confirming the continued support of the bank.

The Directors have prepared a detailed 5 year business plan including cash flow projections. The projected cash flows of the Group indicate the ability to continue to service its bank and other finance obligations for the foreseeable future from its operations.

The group's bankers and shareholders remain supportive of the growth strategy being deployed.

Based on the performance to date, the new units in development and associated business plan, the opinion of the Directors is that the group is able to operate within the current agreed banking facilities for a period of at least 12 months from the date of signing these financial statements and as such the financial statements have been prepared on the going concern basis.

CONSOLIDATION

The group has not presented its own profit and loss account as permitted by section 480 of the Companies Act 2006. The group's profit for the year was £106,298.

GOODWILL

Goodwill has arisen on the acquisition of new sites for the group's operations and represents the excess of the purchase price over the fair value of assets acquired. In each case goodwill has been capitalised and amortised over a year of 30 years as in the opinion of the directors this represents the year over which the goodwill is effective. Goodwill is reviewed for impairment at the end of the year in which it is created and thereafter where changes in circumstances indicate that the carrying value may not be recoverable.

Negative goodwill arises when the fair value of consideration for an acquired undertaking is less than the fair value of the net assets acquired. Negative goodwill is credited to the profit and loss account in the years expected to benefit, which is deemed to be over 30 years in the opinion of the directors to be consistent with positive goodwill.

OTHER INTANGIBLE FIXED ASSETS

Intangible fixed assets are stated at historic cost. No amortisation is provided as the directors believe that the intangible assets have an indefinite useful economic life. In accordance with Financial Reporting Standard 11, Impairment of Fixed Assets and Goodwill, assets are reviewed for impairment at the end of the year in which they are acquired and annually thereafter.

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2012

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost or valuation less depreciation. Depreciation is not charged in the year of acquisition.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Freehold buildings	50 years
Land and buildings leasehold	Over the length of the lease or 10 years depending on the useful life of the asset
Fixtures, fittings and equipment	Over 5 or 10 years depending on the useful life of the assets
Motor vehicles	4 years

Government grants for capital expenditure are deducted from the purchase price of the related asset with a consequent reduction in the annual charge for depreciation.

STOCKS

Stocks are valued at the lower of cost and net realisable value.

LEASED ASSETS AND OBLIGATIONS

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 obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are 'operating leases' and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

TURNOVER

Turnover represents the total value, excluding Value Added Tax, of goods sold and services provided to external customers.

TRANSLATION OF FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year. Any differences are taken to the Statement of Total Recognised Gains and Losses.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Results of overseas subsidiaries are recorded at an average exchange rate. All differences are taken to Profit and Loss account.

INVESTMENTS

Investments in subsidiary undertakings are stated at cost less provision for diminution in value.

Investments in joint ventures are accounted for using the gross equity method as required under Financial Reporting Standard 9 - Associates and Joint Ventures.

The group's share of the profit and loss of the joint ventures is included in the group profit and loss account. The group balance sheet includes the investments in joint ventures at the group's share of the net assets.

The investments in joint ventures are included in the holding group balance sheet at cost.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements. Deferred tax is recognised in the Statement of Total Recognised Gains and Losses on revaluations where at the balance sheet date there is an agreement to sell the asset. Deferred tax in respect of losses is only recognised when there is reasonable certainty that those losses will be utilised in the foreseeable future. Deferred tax is recognised in respect of losses of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate. Deferred tax is measured at the average tax rates that are expected to apply in the years in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2012

1 SEGMENTAL REPORTING

Group turnover was split between geographical sectors as follows

	Group	2012 Joint venture	Total
	£	£	£
United Kingdom	15,105,200	-	15,105,200
Europe	11,375,516	1,339,558	12,715,074
	<u>26,480,716</u>	<u>1,339,558</u>	<u>27,820,274</u>

	Group	2011 Joint venture	Total
	£	£	£
United Kingdom	14,846,667	-	14,846,667
Europe	10,400,686	821,743	11,222,429
	<u>25,247,353</u>	<u>821,743</u>	<u>26,069,096</u>

Further analysis of net assets and profit before taxation required by SSAP25 has not been provided. Due to the structure of the group's operations and the central management of the group from the UK, this analysis is not considered to provide meaningful information.

2 OTHER OPERATING EXPENSES (net)

	2012 £	2011 £
Administrative expenses	20,780,088	20,107,867
Other operating income	(1,036,366)	(1,213,837)
	<u>19,743,722</u>	<u>18,894,030</u>

3 INVESTMENT INCOME

	2012 £	2011 £
Other interest receivable	<u>1,930</u>	<u>38,308</u>

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2012

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
On bank loans and overdrafts	729,758	754,686
Hire purchase interest	6,087	4,664
Other interest	(9,899)	139,262
Dividend on preference shares classified as debt	3,500	3,500
	<u>729,446</u>	<u>902,112</u>

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2012	2011
	£	£
The profit on ordinary activities before taxation is stated after charging		
Amortisation of intangible assets	30,487	29,754
Depreciation of tangible assets		
Owned assets	1,439,555	1,360,955
Leased assets	24,307	15,166
Loss on disposal of tangible assets	2,529	43,158
Operating lease rentals		
Land and buildings	1,163,164	1,720,889
Plant and equipment	2,103	-
Auditor s remuneration		
Group auditors for audit work	35,625	35,625
Other auditors for audit work	18,087	18,564
Remuneration of auditors for non-audit work		
Group auditors for non-audit work – tax	58,970	40,031
Group auditors for non-audit work - other	10,000	10,000
	<u></u>	<u></u>

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2012

6 EMPLOYEES

	2012 Number	2011 Number
The average monthly number of persons (including directors) employed by the group during the year was		
Management	39	38
Operational staff	369	325
Administration	83	85
	<u>491</u>	<u>448</u>

	2012 £	2011 £
Staff costs for the above persons		
Wages and salaries	9,993,803	8,016,037
Social security costs	1,022,345	1,073,610
	<u>11,016,148</u>	<u>9,089,647</u>

7 DIRECTORS' EMOLUMENTS

	2012 £	2011 £
Emoluments for qualifying services	<u>807,553</u>	<u>646,733</u>

Emoluments disclosed above include the following amounts paid to the highest paid director

	2012 £	2011 £
Emoluments for qualifying services	<u>264,606</u>	<u>242,149</u>

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2012

8 TAXATION

	2012 £	2011 £
UK CORPORATION TAX		
Current tax on profits for the year	8,250	-
Adjustments for prior years	-	2,540
FOREIGN TAX		
Current tax on profits for the year	99,041	68,021
Adjustments for prior years	-	240,181
CURRENT TAX CHARGE	107,291	310,742
DEFERRED TAX		
Deferred tax charge/credit current year	(26,652)	92,011
	80,639	402,753
FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR		
The tax assessed for the year is higher than the standard rate of corporation tax of 26% as explained below		
Profit on ordinary activities before taxation	347,683	420,168
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26% (2011 28%)	90,398	117,647
Effects of		
Expenses not deductible for tax purposes	31,444	(2,624)
Depreciation in excess of capital allowances	65,709	45,308
Tax losses utilised	(247,939)	(133,094)
Different rate of tax on overseas earnings	54,310	58,371
Adjustment to tax charge in respect of previous year	-	2,540
Adjustment to foreign tax charge in respect of previous year	-	240,181
Other tax adjustments	113,369	(17,586)
	16,893	193,096
Group tax charge for the current year	107,291	310,743

Interpub Limited has tax losses available to carry forward against future trading profits of £1,866,494 (2011 2,578,315). St Christopher's Paris has tax losses available to carry forward against future trading profits of £nil (2011 £86,735).

Beds & Bars Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2012

9 INTANGIBLE FIXED ASSETS

	Group Positive goodwill £	Group Negative goodwill £	Group Intellectual property £
COST			
As at 27 March 2011	2,076,240	(467,036)	750,000
Additions	1,724	-	-
Exchange variances	(80,478)	-	-
As at 31 March 2012	1,997,486	(467,036)	750,000
DEPRECIATION			
As at 27 March 2011	246,367	(77,841)	-
Charge for the year	46,055	(15,568)	-
Exchange variances	(15,312)	-	-
As at 31 March 2012	277,110	(93,409)	-
NET BOOK VALUE			
As at 31 March 2012	1,720,376	(373,627)	750,000
As at 26 March 2011	1,829,873	(389,195)	750,000

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2012

10 TANGIBLE FIXED ASSETS

	Land and buildings freehold	Land and buildings leasehold	Group Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
COST					
As at 27 March 2011	19,629,224	12,568,043	8,617,531	108,229	40,923,027
Additions	30,000	916,308	1,145,474	43,633	2,135,415
Transfer from investment properties	326,284	-	-	-	326,284
Disposals	-	(414,129)	(137,056)	(28,058)	(579,243)
Revaluation	6,771,679	-	-	-	6,771,679
Exchange variances	(608,534)	(291,169)	(225,505)	-	(1,125,208)
As at 31 March 2012	26,148,653	12,779,053	9,400,444	123,804	48,451,954
DEPRECIATION					
As at 27 March 2011	43,183	3,419,652	3,539,991	17,906	7,020,732
Charge for the year	-	529,783	909,772	24,307	1,463,862
Disposals	-	-	(137,056)	(14,029)	(151,085)
Exchange variances	-	(77,178)	(99,748)	-	(176,926)
As at 31 March 2012	43,183	3,872,257	4,212,959	28,184	8,156,583
NET BOOK VALUE					
As at 31 March 2012	26,105,470	8,906,796	5,187,485	95,620	40,295,371
As at 26 March 2011	19,586,041	9,148,391	5,077,540	90,323	33,902,295

UK Freehold properties were valued in March 2012 on the basis of an open market valuation for existing use by Christie + Co, Chartered Surveyors, members of RICS

The Winston in Amsterdam was valued in March 2012 on the basis of open market value for existing use by Christie + Co, Chartered Surveyors, members of RICS

Freehold properties acquired in the year are valued at cost

On a historical cost basis these properties would have been included in the financial statements at

	2012 £	2011 £
Cost and net book value	15,987,103	16,565,636

Included above are assets held under finance lease or hire purchase contracts as follows

	Motor vehicles £	Total £
NET BOOK VALUE		
As at 31 March 2012	95,512	95,512
As at 26 March 2011	90,215	90,215

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2012

10 TANGIBLE FIXED ASSETS (continued)

	Group Fixtures, fittings and equipment £	Total £
COST		
As at 27 March 2011 and 31 March 2012	157,518	157,518
DEPRECIATION		
As at 27 March 2011	115,938	115,938
Charge for the year	15,752	15,752
As at 31 March 2012	131,690	131,690
NET BOOK VALUE		
As at 31 March 2012	25,828	25,828
As at 26 March 2011	41,580	41,580

11 INVESTMENT PROPERTIES

	£
COST OR VALUATION	
As at 26 March 2011	326,284
Transfer to tangible fixed assets	(326,284)
As at 31 March 2012	-

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2012

12 INVESTMENTS

	<u>Group</u> Investments in joint ventures £	Total £
COST OR VALUATION		
As at 27 March 2011	60,150	60,150
Additions	376,188	376,188
Exchange variances	9,841	9,841
Share of retained loss for the year	(391,579)	(391,579)
As at 31 March 2012	54,600	54,600
DEPRECIATION		
As at 27 March 2011 and as at 31 March 2012	-	-
NET BOOK VALUE		
As at 31 March 2012	54,600	54,600
As at 26 March 2011	60,150	60,150
PRESENTED AS		
Investments in joint ventures	171,810	171,810
Share of net liabilities in net ventures	(117,210)	(117,210)
	54,600	54,600

	Investments in joint ventures £	<u>Group</u> Investments in subsidiary undertakings £	Total £
COST			
As at 27 March 2011	177,612	3,772,380	3,949,992
Additions	376,188	-	376,188
Disposal	-	(20,992)	(20,992)
Exchange variances	(12,302)	(203,310)	(215,612)
As at 31 March 2012	541,498	3,548,078	4,089,576
DEPRECIATION			
As at 27 March 2011 and as at 31 March 2012	-	-	-
NET BOOK VALUE			
As at 31 March 2012	541,498	3,548,078	4,089,576
As at 26 March 2011	177,612	3,772,380	3,949,992

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2012

12 INVESTMENTS (continued)

At the year end the group had control of the following companies, which are included in these consolidated financial statements. All are subsidiary undertakings by virtue of Beds & Bars Limited, Interpub Limited, St Christopher's Holdings Limited, St Christopher's (Bruges) NV, St Christopher's (Amsterdam) NV and St Christopher's (Paris) holding at least 75% of the issued share capital in each group.

Interest in subsidiary undertakings

Entity	Shareholding		Country	Activity
Interpub Limited	Ordinary	100%	England	Licence public houses with ancillary budget accommodation
St Christopher's Holdings Limited	Ordinary	100%	England	Dormant holding group
St Christopher's (Amsterdam) BV	Ordinary	100%	Netherlands	Licence public houses with ancillary budget accommodation
St Christopher's (Bruges) BV	Ordinary	90%	Belgium	Licence public houses with ancillary budget accommodation
St Christopher's (Berlin) GmbH	Ordinary	100%	Germany	Licence public houses with ancillary budget accommodation
St Christopher's (Paris)	Ordinary	82%	France	Licence public houses with ancillary budget accommodation
Interpub Solutions Limited (i)	Ordinary	100%	England	Dormant
St Christopher's Inns Limited (ii)	Ordinary	100%	England	Property holding group
St Christopher's (Orient) Limited (ii)	Ordinary	75%	England	Property holding group
Crossgate NV (iii)	Ordinary	100%	Belgium	Licence public houses with ancillary budget accommodation
Hotel Winston BV (iv)	Ordinary	100%	Netherlands	Licence public houses with ancillary budget accommodation
Winston Kingdom BV (iv)	Ordinary	100%	Netherlands	Nightclub
Gare du Nord (v)	Ordinary	100%	France	Licence public houses with ancillary budget accommodation

Sub-subsidiaries are owned by

- (i) Interpub Limited
- (ii) St Christopher's Holdings Limited
- (iii) St Christopher's (Bruges) NV
- (iv) St Christopher's (Amsterdam) BV
- (v) St Christopher's Paris

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2012

12 INVESTMENTS (continued)

Acquisitions

On 15 March 2012, St Christopher's (Gare du Nord) was incorporated and St Christopher's (Paris) acquired 100% of its issued share capital for a total consideration of €5,000. St Christopher's (Gare du Nord) has been accounted for using the acquisition method. The subsidiary did not have any assets or liabilities on acquisition and no goodwill arose on this transaction.

Interest in joint ventures

Entity	Shareholding	Country	Activity
Litera y Bares SI	Ordinary 40%	Spain	Licence public houses with ancillary budget accommodation
La Rotonde de la Villette SAS	Ordinary 25%	France	Licensed bar and restaurant
Mosaic House SRO	Ordinary 45%	Czech Republic	Licence public houses with ancillary budget accommodation

The capital and reserves and result for the year ended 31 December for joint ventures where the group holds more than 20% of the share capital were as follows:

Entity	Capital and reserves £	Profit/(loss) for the year £
Litera y Bares SI	139,160	(14,906)
La Rotonde de la Villette SAS	(468,850)	(918,064)
Mosaic House SRO	258,101	(346,891)

13 STOCKS

	Group 2012 £	Group 2012 £	Group 2011 £	Group 2011 £
Finished goods for resale	216,131	-	229,469	-

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2012

14 DEBTORS

	Group 2012 £	Group 2012 £	Group 2011 £	Group 2011 £
Trade debtors	178,966	-	318,628	-
Amounts owed by group companies	-	7,525,685	-	7,035,417
Other debtors	1,141,102	709,430	1,761,163	1,182,876
Corporation tax	2,341	-	1,830	-
Prepayments and accrued income	373,389	-	449,391	-
	<u>1,695,798</u>	<u>8,235,115</u>	<u>2,531,012</u>	<u>8,218,293</u>

Amounts falling due after one year and included within the above debtors are

	Group 2012 £	Group 2012 £	Group 2011 £	Group 2011 £
Amounts owed by group companies	-	7,525,685	-	7,035,417
Other debtors	977,478	709,430	-	1,182,876
	<u>977,478</u>	<u>8,235,115</u>	<u>-</u>	<u>8,218,293</u>

15 CREDITORS Amounts falling due within one year

	Group 2012 £	Group 2012 £	Group 2011 £	Group 2011 £
Bank loans and overdrafts	1,428,179	418,605	1,450,788	-
Obligations under finance leases	20,868	-	14,139	-
Other loans	82,833	-	-	-
Trade creditors	1,417,101	-	1,794,394	-
Amounts owed to group companies	-	293,257	-	-
Tax and social security	1,035,602	-	892,397	-
Corporation tax	110,676	-	107,999	-
Other creditors	296,921	115,141	724,606	235,220
Accruals and deferred income	1,806,070	601,275	1,895,300	637,433
	<u>6,198,250</u>	<u>1,428,278</u>	<u>6,879,623</u>	<u>872,653</u>

The bank loans and overdrafts of £26,482,548 (2011 £27,253,850) are secured over the freehold and leasehold properties of the group and by

- A guarantee by Heineken UK Limited
- An Inter-Creditor Deed between the group, the bank and Heineken UK Limited
- The assignation of a life assurance policy on the life of Keith Knowles, a director

Beds & Bars Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2012

16 CREDITORS Amounts falling due after more than one year

	Group 2012 £	Group 2012 £	Group 2011 £	Group 2011 £
Preference shares	5,000	2,500	5,000	2,500
Bank loans	25,054,369	9,154,926	25,803,062	10,052,469
Obligations under finance lease	54,350	-	55,239	-
Other loans	877,803	-	1,461,610	-
Amounts owed to group companies	-	1,487,648	-	1,794,917
Other creditors	21,262	21,321	-	-
	26,012,784	10,666,395	27,324,911	11,849,886

Included within long term creditors of the group are loan notes amounting to £237,500

Pursuant to a shareholders agreement dated 19 October 2007 between St Christopher's Holdings Limited (the group) and BW SIPP Trustees Limited, the group has the right to redeem the loan notes at any time on or after 19 October 2008 at their nominal value

Bank loan maturity analysis

In more than one year but not more than two years	1,065,117	356,639	1,124,089	356,639
In more than two years but not more than five year	3,264,023	1,069,917	4,242,239	1,069,917
In more than five years	20,725,229	7,728,370	19,846,764	8,269,274

	Group 2012 £	Group 2012 £	Group 2011 £	Group 2011 £
Obligations under finance leases and hire purchase contracts				
Repayable within one year	20,868	-	14,139	-
Repayable between two and five years	54,350	-	55,239	-
	75,218	-	69,378	-
Included in current liabilities	(20,868)	-	(14,139)	-
	54,350	-	55,239	-

The Euro bank loan was renegotiated on 17 April 2012 and is repayable on the 5th anniversary of this date. Payments are to be made quarterly of €126,000 to 31 March 2013, €378,000 to 31 March 2014, €498,000 to 31 March 2015 and €618,000 to 31 March 2017. All outstanding amounts are repayable on the 5th anniversary of the new loan. Interest is payable at 3.4% + LIBOR for the Sterling facility and 3.4% + EURIBOR for the Euro facility.

At the balance sheet date the bank loan repayment terms for the Sterling facility were quarterly amounts of £58,333 with a base rate +1.75% interest rate. This bank loan was renegotiated on 17 April 2012 and is repayable on the 5th anniversary of this date. Interest on the new loan is payable at 3.4% + LIBOR.

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2012

17 PROVISIONS FOR LIABILITIES

	Deferred tax liability £
As at 26 March 2011	128,969
Profit and loss account	(26,652)
As at 31 March 2012	<u>102,317</u>

The above liability relates to deferred tax in relation to capital allowances

A deferred tax asset of £440,304 (2011 £721,928) in respect of trading losses carried forward has not been recognised in these financial statements due to uncertainty as to the timing of when these will be utilised

A deferred tax asset of £20,290 (2011 £49,728) in respect of unutilised property losses carried forward has not been recognised in these financial statements due to uncertainty as to the timing of when these will be utilised

18 SHARE CAPITAL

	2012 £	2011 £
ALLOTTED, CALLED UP AND FULLY PAID		
Ordinary shares of £1 each	402,711	402,711
"B" 5% Fixed non-cumulative preference shares £1	2,500	2,500
	<u>405,211</u>	<u>405,211</u>
EQUITY		
Ordinary shares of £1 each	<u>402,711</u>	<u>402,711</u>
SHARES CLASSIFIED AS FINANCIAL LIABILITIES		
"B" 5% Fixed non-cumulative preference shares £1	<u>2,500</u>	<u>2,500</u>

Preference shares are classified as liabilities under FRS25 and are included in creditors due in over one year

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2012

19 RESERVES

	Profit and loss account £	Group Revaluation reserve £	Share premium £	Total £
As at 26 March 2011	(76,635)	3,020,405	1,967,783	4,911,553
Retained profit for the year	223,003	-	-	223,003
Revaluation in the year	-	6,771,679	-	6,771,679
Exchange differences	(158,205)	-	-	(158,205)
As at 31 March 2012	(11,837)	9,792,084	1,967,783	11,748,030

	Profit and loss account £	Group Revaluation reserve £	Share premium £	Total £
As at 26 March 2011	(1,482,083)	-	1,967,783	485,700
Retained profit for the year	106,298	-	-	106,298
Exchange differences	360,120	-	-	360,120
As at 31 March 2012	(1,015,665)	-	1,967,783	952,118

20 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group 2012 £	Group 2011 £	Group 2012 £	Group 2011 £
Profit/(loss) for the financial year	223,003	6,477	106,298	(403,091)
Revaluation during the year	6,771,679	-	-	-
Exchange differences	(158,205)	(103,953)	360,120	-
Opening shareholder's funds	6,836,477	(97,476)	466,418	(403,091)
	5,314,264	5,411,740	888,411	1,291,502
Closing shareholder's funds	12,150,741	5,314,264	1,354,829	888,411

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2012

21 CASH FLOWS

a) RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	1,466,778	1,197,934
Depreciation	1,463,862	1,376,121
Amortisation of goodwill	30,487	29,754
Loss on disposal of tangible fixed assets	2,529	43,158
Other non-cash movements	-	203,568
Decrease in stocks	13,338	14,571
Increase in debtors	(527,893)	(297,435)
Increase/(decrease) in short term creditors	256,357	(37,693)
Exchange rate movements	507,353	20,889
	<u>3,212,811</u>	<u>2,550,867</u>

b) ANALYSIS OF NET DEBT

	As at 26 March 2011 £	Cash flow £	Other non-cash changes £	As at 31 March 2012 £
Cash in bank and in hand	1,299,428	(252,141)	-	1,047,287
Overdrafts	(817,088)	472,449	-	(344,639)
	<u>482,340</u>	<u>220,308</u>	<u>-</u>	<u>702,648</u>
Debt due within one year	(700,310)	487,776	(1,061,459)	(1,273,993)
Debt due after one year	(27,319,911)	(780,731)	2,200,873	(25,899,769)
	<u>(28,020,221)</u>	<u>(292,955)</u>	<u>1,139,414</u>	<u>(27,173,762)</u>
Net debt	<u>(27,537,881)</u>	<u>365,602</u>	<u>1,139,414</u>	<u>(26,471,114)</u>

c) RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2012 £	2011 £
Increase in cash in the year	220,308	689,097
Cash outflow from reduction in net debt	(292,955)	(410,267)
Other non-cash changes	1,139,414	89,069
	<u>1,066,767</u>	<u>367,899</u>
Movement in net debt in the year	<u>(27,537,881)</u>	<u>(27,905,780)</u>
Opening net debt	<u>(26,471,114)</u>	<u>(27,537,881)</u>

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2012

22 COMMITMENTS UNDER OPERATING LEASES

As at 31 March 2012 the group was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2013

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Operating leases which expire				
Within one year	-	-	13,408	5,963
Between two and five years	125,000	125,000	-	7,188
In over five years	1,633,504	1,521,204	-	-
	1,758,504	1,646,204	13,408	13,151

23 CONTINGENT LIABILITIES

All parties in the group are subject to cross guarantees whereby the bank loans held within Beds & Bars Limited and Interpub Limited are secured on the assets of all group companies

Pursuant to the shareholders agreement dated 19 October 2007 between St Christopher s (Holdings) Limited (the group) and BW SIPP Trustees Limited (the minority shareholder) the minority shareholder has the right to require the group to purchase 50% of its shareholding at any time after the fifth anniversary of the agreement and the remaining 50% at any time after the tenth anniversary of the agreement at a fair value to be determined at that time. The right also applies at any time if there is a change of control of the ultimate parent group Beds & Bars Limited.

24 RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with wholly-owned group companies.

During the year the group paid rent to Mr K C Knowles, a director, totalling £32,000 (2011 £30,000).

The group has a trading account with Heineken UK Limited, a shareholder of Beds & Bars Limited and a major supplier to Interpub Limited. During the year the group made purchases from Heineken UK Limited totalling £1,571,491 (2011 £1,634,657). At the year end the group owed £221,881 (2011 £460,334) to Heineken UK Limited.

During the year costs were incurred on behalf of and recharged to the Flying Pigs UK Ltd, totalling £1,000,000 (2011 £1,010,799), a group which Mr K C Knowles & Mr T Sykes are both shareholders and directors. At the year end the Flying Pigs UK Ltd owed £332,696 (2011 £620,425) to the group.

During the year costs of £66,046 (2011 £535,983) were incurred on behalf of and recharged to Mosaic House SRO, a joint venture in which the group owns 45% of the share capital. At the year-end Mosaic House SRO owed £598,750 (2011 £532,705) to the group.

During the year costs of £152,841 (2011 £nil) were incurred on behalf of and recharged to La Rotunde, a joint venture in which the group owns 25% of the share capital. At the year-end La Rotunde owed £152,841 (2011 £nil) to the group.

All transactions were carried out on normal commercial terms.