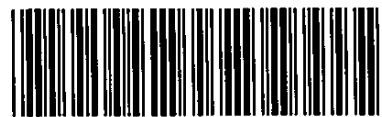


# Beds & Bars Limited

## FINANCIAL STATEMENTS

For the year ended 30 March 2013

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20/12/2013

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COMPANIES HOUSE

Company Number 05500765

**Beds & Bars Limited**  
**COMPANY INFORMATION**

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<b>DIRECTORS</b>	K C Knowles F J Knowles T R Sykes A D Searle
<b>SECRETARY</b>	T R Sykes
<b>COMPANY NUMBER</b>	05500765
<b>REGISTERED OFFICE</b>	Overlord House 1D Colet Gardens Hammersmith London W14 9DH
<b>AUDITOR</b>	Baker Tilly UK Audit LLP 25 Farringdon Street London EC4A 4AB
<b>BUSINESS ADDRESS</b>	Overlord House 1D Colet Gardens Hammersmith London W14 9DH
<b>PRINCIPAL BANKERS</b>	Lloyds Banking Group St James' Gate 14/16 Cockspur Street London SW1Y 5BL

**Beds & Bars Limited**  
**DIRECTORS' REPORT**  
**for the year ended 30 March 2013**

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The directors present the audited consolidated financial statements for the year ended 30 March 2013

**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 loss for the year, after tax and minority interest, was £901,789 (2012 £223,003 profit).

The directors do not recommend the payment of an ordinary dividend.

**DIRECTORS**

The following directors have held office since 31 March 2012:

K C Knowles  
F J Knowles  
T R Sykes  
A D Searle  
P A Sykes (Resigned 12 July 2012)

**REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The business experienced difficult trading conditions in its UK units during the period under review. The effect on the Group was mitigated through the geographical diversity of the operating business with over 40% of turnover being derived from mainland Europe.

This enabled the Group to show growth in turnover which for the period under review was £27,939,287 (2012 £27,820,274).

The directors believe the UK performance was in the large part due to the influence of the 2012 Olympics. The beneficial legacy of the games is now becoming apparent. However, the Group's UK accommodation income streams began to show decline on the previous year's trading from May 2012 and continued through to January 2013. Our core customers, young travellers on a budget, were discouraged from visiting the UK, with a view that London might be more expensive. Instead they demonstrated a preference for our sites across Europe.

Accommodation income for the UK business was, as a result, 8.5% below the prior year which impacted operating profit. The current financial year to March 2014 has seen the UK business return to growth. UK accommodation income has returned to 2012 financial year levels indicating that the drop experienced in the period under review was indeed exceptional.

Group operating profit for the period decreased to £972,943 (2012 £1,466,778).

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 decreased to £2,629,264 (2012 £2,961,127). This decline was as a direct result of the trading performance of the UK business.

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

## Beds & Bars Limited

### DIRECTORS' REPORT

#### for the year ended 30 March 2013

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During the financial year specific projects included the replacement of accommodation door security locks and systems, software licences for a new property management system and some light refurbishments to a number of the UK bars

In January 2013, the Group exited its lease held for the Belushi's site in Fulham. The site had been loss making as a stand alone bar operation, having been originally acquired based on a business plan to provide accommodation in the upper floors. However, planning consent was not granted.

In August 2013, the Group sold its investment in the Prague joint venture vehicle, Mosaic House s r o. The business agreed a franchise arrangement with its previous partner, Bohemian Hostels s r o, to enable the St Christopher's Inns brand to retain a presence in the city. The Board believe this relationship will generate greater returns than the original joint venture.

The refurbishment of the company's new joint venture site in Barcelona was completed during the financial year with its 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's second Paris site, situated close to the Gare du Nord train station, began development during the financial year. This 6,000 square metre property underwent a complete renovation and opened on schedule in July 2013. This is the Group's largest project to date and enjoyed 95% occupancy within two weeks of opening. The site includes over 450 shared room beds and 50 private rooms, a large Belushi's bar, facilities for group stays and a multi-use events space in the basement.

After the launch of our property management and customer relation system in 2011-2012, we continued to invest in our core technology. Key examples of this include the release of our consumer facing web services, including the in-house developed booking engine and the re-launch of the St Christopher's Inns website - with a brand new identity and content.

Following these major projects, we have progressed our technology roadmap with the release of minor and major updates to the service. Updates include a mobile solution for the website and booking engine, the integration of the Flying Pig hostel brand into the same reservation engine, the addition of different currencies, alternative methods of payment and an industry first, online check-in facility.

As we continue with our technology road map into 2013-2014, our primary projects will include significant improvements to the core-booking engine. These improvements will make possible a better level of connectivity with different web application programming interfaces. They will also improve the services offered, increase scalability and make the online transaction process more personalised.

The continued improvements to the Group's bespoke booking platform and strong web presence enables the Group's customer base to be leveraged to drive new lines of income.

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 site under development during the financial period.

#### 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. The directors review and agree policies for managing each of these risks as summarised below.

**Beds & Bars Limited**  
**DIRECTORS' REPORT**  
**for the year ended 30 March 2013**

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**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 predominately 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 like for like sales, 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**

The Beds and Bars Group 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.

**AUDITOR**

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


**Beds & Bars Limited**  
**DIRECTORS' REPORT**  
**for the year ended 30 March 2013**

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**STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR**

The directors 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

20-12-13.  
.....  
Date

## Beds & Bars Limited

### DIRECTORS' RESPONSIBILITIES

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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 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 the company and of the profit or loss of the group for that period.

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 company 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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We have audited the group and parent company financial statements (the "financial statements") on pages 8 to 32. 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As more fully explained in the Directors' Responsibilities Statement set out on page 6, 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 FRC's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

### 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 company's affairs as at 30 March 2013 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and,
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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 company 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 LLP*

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

20/12/2013



**Beds & Bars Limited**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
For the year ended 30 March 2013

	Notes	2013 £	2012 £
Turnover			
Group and share of joint ventures	1	27,939,287	27,820,274
Less Share of joint ventures' turnover	1	(1,890,113)	(1,339,558)
<b>GROUP TURNOVER</b>	1	<b>26,049,174</b>	<b>26,480,716</b>
Cost of sales		(5,264,685)	(5,270,216)
<b>GROSS PROFIT</b>		<b>20,784,489</b>	<b>21,210,500</b>
Other operating expenses (net)	2	(19,811,546)	(19,743,722)
<b>EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION</b>			
		<b>2,629,264</b>	<b>2,961,127</b>
Depreciation		(1,628,542)	(1,463,862)
Amortisation		(27,779)	(30,487)
<b>GROUP OPERATING PROFIT</b>		<b>972,943</b>	<b>1,466,778</b>
Share of operating loss of joint ventures		(586,515)	(391,579)
Investment income	3	386,428	1,075,199
Interest payable	4	479	1,930
		(1,138,711)	(729,446)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	5	<b>(751,804)</b>	<b>347,683</b>
Tax on (loss)/profit on ordinary activities	8	(120,269)	(80,639)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>(872,073)</b>	<b>267,044</b>
Attributable to minority interest		(29,716)	(44,041)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	18	<b>(901,789)</b>	<b>223,003</b>

Turnover and Operating Profit are derived from the Group's continuing operations

**Beds & Bars Limited****CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES**

For the year ended 30 March 2013

	Notes	2013 £	2012 £
(Loss)/profit for the financial year	19	(901,789)	223,003
Unrealised surplus on revaluation of properties	19	-	6,771,679
Currency translation loss	19	(120,389)	(158,205)
TOTAL RECOGNISED (LOSS)/GAIN RELATING TO THE YEAR		(1,022,178)	6,836,477

**Beds & Bars Limited**  
**CONSOLIDATED BALANCE SHEET**  
**As at 30 March 2013**

Company registration number: 05500765

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Positive goodwill	9	1,664,557	1,720,376
Negative goodwill	9	(358,059)	(373,627)
Investments	11	552,117	-
Intangible assets		<u>1,858,615</u>	<u>1,346,749</u>
Tangible assets	10	42,485,374	40,295,371
Investments in joint ventures			
Share of gross assets		398,101	8,057,322
Share of gross liabilities		(365,038)	(7,885,512)
	11	<u>33,063</u>	<u>171,810</u>
		<u>44,377,052</u>	<u>41,813,930</u>
<b>CURRENT ASSETS</b>			
Stocks	12	237,763	216,131
Debtors due within one year	13	2,571,407	718,320
Debtors due in more than one year	13	298,175	977,478
Cash at bank and in hand		683,175	1,047,287
		<u>3,790,522</u>	<u>2,959,216</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(7,632,647)</u>	<u>(6,198,250)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(3,842,125)</u>	<u>(3,239,034)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>40,534,927</u>	<u>38,574,896</u>
<b>CREDITORS: amounts falling due after more than one year</b>	15	<u>(28,436,607)</u>	<u>(26,012,784)</u>
<b>PROVISIONS FOR LIABILITIES</b>	16	<u>(143,600)</u>	<u>(102,317)</u>
Share of net liabilities in joint ventures			
Share of gross assets		8,220,153	281,158
Share of gross liabilities		(8,812,611)	(398,368)
	11	<u>(592,458)</u>	<u>(117,210)</u>
<b>NET ASSETS</b>		<u>11,362,262</u>	<u>12,342,585</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	17	402,711	402,711
Share premium	18	1,967,783	1,967,783
Revaluation reserve	18	9,792,084	9,792,084
Profit and loss account	18	(1,034,015)	(11,837)
<b>SHAREHOLDERS' FUNDS</b>	19	<u>11,128,563</u>	<u>12,150,741</u>
<b>ATTRIBUTABLE TO MINORITY INTERESTS</b>		<u>233,699</u>	<u>191,844</u>
<b>TOTAL CAPITAL EMPLOYED</b>		<u>11,362,262</u>	<u>12,342,585</u>

The financial statements on pages 8 to 32 were approved by the board of directors and authorised for issue on 20.12.13 and are signed on its behalf by:

T Sykes, Director

**Beds & Bars Limited**  
**COMPANY BALANCE SHEET**  
**As at 30 March 2013**

Company registration number 05500765

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Intangible assets	9	750,000	750,000
Tangible assets	10	21,247	25,828
Investments	11	4,597,997	4,089,576
		<u>5,369,244</u>	<u>4,865,404</u>
<b>CURRENT ASSETS</b>			
Debtors due within one year	13	160,750	-
Debtors due in more than one year	13	17,155,322	8,235,115
Cash at bank and in hand		92,245	348,983
		<u>17,408,317</u>	<u>8,584,098</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(1,428,758)</u>	<u>(1,428,278)</u>
<b>NET CURRENT ASSETS</b>		<u>15,979,559</u>	<u>7,155,820</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>21,348,803</u>	<u>12,021,224</u>
<b>CREDITORS: amounts falling due after more than one year</b>	15	<u>(20,304,821)</u>	<u>(10,666,395)</u>
<b>NET ASSETS</b>		<u>1,043,982</u>	<u>1,354,829</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	17	402,711	402,711
Share premium	18	1,967,783	1,967,783
Profit and loss account	18	(1,326,512)	(1,015,665)
<b>SHAREHOLDERS' FUNDS</b>	19	<u>1,043,982</u>	<u>1,354,829</u>

The financial statements on pages 8 to 32 were approved by the board of directors and authorised for issue on 20-12-13 and are signed on its behalf by:

T Sykes, Director

**Beds & Bars Limited**  
**CONSOLIDATED CASH FLOW STATEMENT**  
For the year ended 30 March 2013

	Notes	2013 £	2012 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	20 a)	2,156,769	3,212,811
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		479	1,930
Bank interest paid		(1,012,400)	(733,258)
Other interest (paid)/received		(121,368)	9,899
Hire purchase interest paid		(4,942)	(6,087)
Net cash outflow from returns on investments and servicing of finance		(1,138,231)	(727,516)
TAXATION			
Corporation tax paid		-	-
Overseas tax paid		(77,652)	(105,126)
CAPITAL EXPENDITURE			
Payments to acquire intangible fixed assets		-	(1,724)
Payments to acquire tangible fixed assets		(3,643,125)	(2,101,782)
Receipts on sale of tangible fixed assets		-	11,500
Net cash outflow for capital expenditure		(3,643,125)	(2,092,006)
ACQUISITIONS AND DISPOSALS			
Purchase of interest in joint ventures		-	(376,188)
Purchase of interest in investment		(552,117)	-
Net cash outflow for acquisitions and disposals		(552,117)	(376,188)
NET CASH OUTFLOW BEFORE FINANCING		(3,254,356)	(88,025)
FINANCING			
Issue of ordinary share capital to minority interest		-	15,378
New loans		3,224,656	780,731
Loan repayments		(1,458,439)	(459,983)
Hire purchase		803,272	(27,793)
Net cash inflow from financing		2,569,489	308,333
(DECREASE)/INCREASE IN CASH IN THE YEAR	20 b) 20 c)	(684,867)	220,308

## Beds & Bars Limited

### ACCOUNTING POLICIES

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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 30 March 2013. 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 consolidated financial statements have been prepared on the going concern basis notwithstanding the loss on ordinary activities before taxation of £751,804 and net current liabilities of £3,861,176.

The Group's decline in operating profit during the period was as a direct result of the poor trading conditions experienced in the UK business, as detailed more fully in the Directors' Report. The Group is geographically diverse with over 40% of its turnover derived on mainland Europe and this has enabled it to absorb the impact of a poor year's trading in the UK.

In April 2012, the Group successfully ratified an overdraft facility and 5 year term loans together with associated financial covenants with Lloyds Banking Group and these facilities remain in place.

The directors have prepared a detailed business plan including cash flow projections for the period through to 31 March 2015 which indicate that the Group will be profitable, cash generative in order to continue to service its current bank/other finance obligations and is able to trade within the agreed financial covenants.

As with any group placing reliance on future forecasts, the directors acknowledge that there can be no certainty that these will be achieved. The current economic environment creates uncertainty over hostel occupancy rates, average bed rates and discretionary bar/restaurant spend but the directors are pleased that trading performance since April 2013 is on plan. Having considered these risks and the current economic environment, the directors have a reasonable expectation that the Group will achieve the forecasted performance and has adequate resources and support to continue in operational existence for the foreseeable future.

Based on the post year end performance to date, the new units in development and the support of the group's bankers and shareholders to execute the growth strategy being deployed, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

#### CONSOLIDATION

The company has not presented its own profit and loss account as permitted by section 408 of the Companies Act 2006. The company's profit for the year was £118,767.

#### 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 period of 30 years as, in the opinion of the directors, this represents the period 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 to be consistent with positive goodwill.

## Beds & Bars Limited

### ACCOUNTING POLICIES

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#### 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.

#### 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 and is recognised when goods or services have been provided.

#### 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.

## Beds & Bars Limited

### ACCOUNTING POLICIES

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#### 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 30 March 2013

**1 SEGMENTAL REPORTING**

Group turnover was split between geographical sectors as follows

	Group	2013 Joint venture	Total
	£	£	£
United Kingdom	14,774,367	-	14,774,367
Europe	11,274,807	1,890,113	13,164,920
	<hr/>		
	26,049,174	1,890,113	27,939,287
	<hr/>		
	Group	2012 Joint venture	Total
	£	£	£
United Kingdom	15,105,200	-	15,105,200
Europe	11,375,516	1,339,558	12,715,074
	<hr/>		
	26,480,716	1,339,558	27,820,274
	<hr/>		

Further analysis of net assets and profit before taxation required by SSAP 25 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)**

	2013 £	2012 £
Administrative expenses	21,283,804	20,780,088
Other operating income	(1,472,258)	(1,036,366)
	<hr/>	<hr/>
	19,811,546	19,743,722
	<hr/>	<hr/>

**3 INVESTMENT INCOME**

	2013 £	2012 £
Other interest receivable	479	1,930
	<hr/>	<hr/>

Beds & Bars Limited  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 March 2013

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
On bank loans and overdrafts	1,012,400	729,758
Hire purchase interest	4,942	6,087
Other interest	121,369	(9,899)
Dividend on preference shares classified as debt	-	3,500
	<u>1,138,711</u>	<u>729,446</u>

5 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013 £	2012 £
The (loss)/profit on ordinary activities before taxation is stated after charging		
Amortisation of intangible assets	27,778	30,487
Depreciation of tangible assets		
Owned assets	1,426,473	1,439,555
Leased assets	202,068	24,307
Loss on disposal of tangible assets	110,083	2,529
Operating lease rentals		
Land and buildings	2,049,039	1,163,164
Plant and equipment	-	2,103
Auditor's remuneration		
Group auditor for audit work	52,500	45,000
Other auditor for audit work	-	18,087
Remuneration of auditor for non-audit work		
Group auditor for non-audit work - tax	41,085	58,970
Group auditor for non-audit work - other	14,904	10,000
	<u></u>	<u></u>

**Beds & Bars Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 March 2013**

**6 EMPLOYEES**

	2013 Number	2012 Number
The average monthly number of persons (including directors) employed by the group during the year was		
Management	44	39
Operational staff	441	369
Administration	53	83
	<u>538</u>	<u>491</u>
	2013 £	2012 £
Staff costs for the above persons		
Wages and salaries	9,192,332	9,993,803
Social security costs	1,456,527	1,022,345
	<u>10,648,859</u>	<u>11,016,148</u>

**7 DIRECTORS' EMOLUMENTS**

	2013 £	2012 £
Emoluments for qualifying services	<u>835,650</u>	<u>807,553</u>
Emoluments disclosed above include the following amounts paid to the highest paid director		
	2013 £	2012 £
Emoluments for qualifying services	<u>388,372</u>	<u>264,606</u>

**Beds & Bars Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 March 2013**

<b>8</b>	<b>TAXATION</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	<b>UK CORPORATION TAX</b>		
	Current tax on results for the year	-	8,250
	<b>FOREIGN TAX</b>		
	Current tax on results for the year	78,986	99,041
		<hr/>	<hr/>
	<b>CURRENT TAX CHARGE</b>	78,986	107,291
	<b>DEFERRED TAX</b>		
	Deferred tax charge/(credit) in current year	41,283	(26,652)
		<hr/>	<hr/>
		120,269	80,639
		<hr/>	<hr/>
	<b>FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR</b>		
	The tax assessed for the year is higher than the standard rate of corporation tax of 24% as explained below		
	(Loss)/profit on ordinary activities before taxation	(751,804)	347,683
		<hr/>	<hr/>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24% (2012 26%)	(180,432)	90,398
		<hr/>	<hr/>
	Effects of		
	Expenses not deductible for tax purposes	16,607	31,444
	Depreciation in excess of capital allowances	142,282	65,709
	Tax losses utilised	(50,202)	(247,939)
	Different rate of tax on overseas earnings	232,568	54,310
	Other tax adjustments	(81,837)	113,369
		<hr/>	<hr/>
		259,418	16,893
		<hr/>	<hr/>
	<b>Group tax charge for the current year</b>	<b>78,986</b>	<b>107,291</b>
		<hr/>	<hr/>
	Interpub Limited has tax losses available to carry forward against future trading profits of £2,079,953 (2012 £1,866,494)		

Beds & Bars Limited  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 March 2013

9 INTANGIBLE FIXED ASSETS

	GROUP		COMPANY
	Positive goodwill £	Negative goodwill £	Intellectual Property £
<b>COST</b>			
As at 1 April 2012	1,997,486	(467,036)	750,000
Exchange variances	(7,857)	-	-
	<hr/>		<hr/>
As at 30 March 2013	1,989,629	(467,036)	750,000
	<hr/>		<hr/>
<b>DEPRECIATION</b>			
As at 1 April 2012	277,110	(93,409)	-
Charge for the year	43,346	(15,568)	-
Exchange variances	4,616	-	-
	<hr/>		<hr/>
As at 30 March 2013	325,072	(108,977)	-
	<hr/>		<hr/>
<b>NET BOOK VALUE</b>			
As at 30 March 2013	1,664,557	(358,059)	750,000
	<hr/>		<hr/>
As at 31 March 2012	1,720,376	(373,627)	750,000
	<hr/>		<hr/>

**Beds & Bars Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 March 2013

**10 TANGIBLE FIXED ASSETS**

GROUP	Land and buildings freehold	Land and buildings leasehold	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>COST OR VALUATION</b>					
As at 1 April 2012	26,148,653	12,779,053	9,400,444	123,804	48,451,954
Additions	2,404,770	-	1,238,355	-	3,643,125
Disposals	(25)	(89,772)	(198,814)	-	(288,611)
Exchange variances	228,359	90,472	66,743	-	385,574
As at 30 March 2013	28,781,757	12,779,753	10,506,728	123,804	52,192,042
<b>DEPRECIATION</b>					
As at 1 April 2012	43,183	3,872,257	4,212,959	28,184	8,156,583
Charge for the year	115,060	461,843	1,023,437	28,201	1,628,541
Disposals	-	(12,568)	(144,540)	-	(157,108)
Exchange variances	-	29,991	48,661	-	78,652
As at 30 March 2013	158,243	4,351,523	5,140,517	56,385	9,706,668
<b>NET BOOK VALUE</b>					
As at 30 March 2013	28,623,514	8,428,230	5,366,211	67,419	42,485,374
As at 31 March 2012	26,105,470	8,906,796	5,187,485	95,620	40,295,371

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

	2013 £
<b>COST</b>	
As at 1 April 2012	15,987,103
Additions	2,404,770
As at 30 March 2013	18,391,873
<b>DEPRECIATION BASED ON COST</b>	
As at 1 April 2012	-
Charge for the year	92,178
As at 30 March 2013	92,178
<b>NET BOOK VALUE</b>	
As at 30 March 2013	18,299,695
As at 31 March 2012	15,987,103

**Beds & Bars Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 March 2013

**10 TANGIBLE FIXED ASSETS (continued)**

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

	Motor vehicles £	Total £
<b>NET BOOK VALUE</b>		
As at 30 March 2013	67,419	67,419
As at 31 March 2012	95,512	95,512
<b>COMPANY</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<b>COST</b>		
As at 1 April 2012	157,518	157,518
Additions	6,712	6,712
Disposals	(2,992)	(2,992)
As at 30 March 2013	161,238	161,238
<b>DEPRECIATION</b>		
As at 1 April 2012	131,690	131,690
Charge for the year	8,301	8,301
As at 30 March 2013	139,991	139,991
<b>NET BOOK VALUE</b>		
As at 30 March 2013	21,247	21,247
As at 31 March 2012	25,828	25,828

**Beds & Bars Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 March 2013

**11 INVESTMENTS**

GROUP	Investments less than 20% £	Investments in joint ventures £	Total £	
<b>COST OR VALUATION</b>				
As at 1 April 2012	-	54,600	54,600	
Additions	552,117	-	552,117	
Exchange variances	-	(27,480)	(27,480)	
Share of retained loss for the year	-	(586,515)	(586,515)	
As at 30 March 2013	552,117	(559,395)	(7,278)	
<b>PROVISIONS FOR IMPAIRMENT</b>				
As at 1 April 2012 and as at 30 March 2013	-	-	-	
<b>NET BOOK VALUE</b>				
As at 30 March 2013	552,117	(559,395)	(7,278)	
As at 31 March 2012	-	54,600	54,600	
<b>PRESENTED AS</b>				
Investments	552,117	-	552,117	
Investments in joint ventures	-	33,063	33,063	
Share of net liabilities in joint ventures	-	(592,458)	(592,458)	
	552,117	(559,395)	(7,278)	
<b>COMPANY</b>				
	Investments less than 20% £	Investments in joint ventures £	Investments in subsidiary undertakings £	Total £
<b>COST</b>				
As at 1 April 2012	-	541,498	3,548,078	4,089,576
Additions	552,117	-	-	552,117
Exchange variances	-	(5,598)	(38,098)	(43,696)
As at 30 March 2013	552,117	535,900	3,509,980	4,597,997
<b>PROVISIONS FOR IMPAIRMENT</b>				
As at 1 April 2012 and as at 30 March 2013	-	-	-	-
<b>NET BOOK VALUE</b>				
As at 30 March 2013	552,117	535,900	3,509,980	4,597,997
As at 31 March 2012	-	541,498	3,548,078	4,089,576



**Beds & Bars Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 March 2013

**11 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 company
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) sas	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 company
St Christopher's (Orient) Limited (ii)	Ordinary	75%	England	Property holding company
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 sas (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**  
**for the year ended 30 March 2013**

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**11 INVESTMENTS (continued)**

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 30 March for joint ventures where the group holds more than 20% of the share capital were as follows

Entity	Capital and reserves £	(Loss) for the year £
Literas y Bares SI	(490,804)	(609,028)
La Rotonde de la Villette SAS	(1,584,544)	(1,062,881)
Mosaic House SRO	73,473	(171,518)

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**12 STOCKS**

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Finished goods for resale	237,765	216,131	-	-

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**Beds & Bars Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 March 2013

**13 DEBTORS**

Due within one year	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Trade debtors	141,163	178,966	-	-
Other debtors	1,883,821	163,624	-	-
Corporation tax	-	2,341	-	-
Prepayments and accrued income	546,423	373,389	160,750	-
	<b>2,571,407</b>	<b>718,320</b>	<b>160,750</b>	<b>-</b>

**Due in more than one year**

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Amounts owed by group companies	-	-	16,025,354	7,525,685
Other debtors	298,175	977,478	1,129,968	709,430
	<b>298,175</b>	<b>977,478</b>	<b>17,155,322</b>	<b>8,235,115</b>

**14 CREDITORS** Amounts falling due within one year

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Bank loans and overdrafts	2,338,001	1,428,179	1,141,339	418,605
Obligations under finance leases	34,439	20,868	-	-
Other loans	101,958	82,833	38,869	-
Trade creditors	2,153,478	1,417,101	10,280	-
Amounts owed to group companies	-	-	-	293,257
Tax and social security	972,052	1,035,602	724	-
Corporation tax	109,675	110,676	-	-
Other creditors	276,398	296,921	(141)	115,141
Accruals and deferred income	1,646,646	1,806,070	237,687	601,275
	<b>7,632,647</b>	<b>6,198,250</b>	<b>1,428,758</b>	<b>1,428,278</b>

The bank loans and overdrafts of £27,638,104 (2012 £26,482,548) are secured over the freehold and leasehold properties of the group and by

- A guarantee by Heineken UK Limited (expired April 2012)
- An Inter-Creditor Deed between the group, the bank and Heineken UK Limited (expired April 2012)
- The assignation of a life assurance policy on the life of Keith Knowles, a director

**Beds & Bars Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 March 2013

15 CREDITORS Amounts falling due after more than one year

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Preference shares	2,500	5,000	2,500	2,500
Bank loans	25,300,103	25,054,369	12,027,341	9,154,926
Obligations under finance leases	844,050	54,350	-	-
Other loans	1,977,350	877,803	500,000	-
Amounts owed to group companies	-	-	7,447,723	1,487,648
Other creditors	312,604	21,262	327,257	21,321
	<b>28,436,607</b>	<b>26,012,784</b>	<b>20,304,821</b>	<b>10,666,395</b>

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	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
In more than one year but not more than two years	1,440,285	1,065,117	580,264	356,639
In more than two years but not more than five years	18,176,688	3,264,023	11,447,077	1,069,917
In more than five years	5,683,131	20,725,229	-	7,728,370

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Obligations under finance leases				
Repayable within one year	34,439	20,868	-	-
Repayable between two and five years	844,050	54,350	-	-
	<b>878,489</b>	<b>75,218</b>	<b>-</b>	<b>-</b>
Included in current liabilities	<b>(34,439)</b>	<b>(20,868)</b>	<b>-</b>	<b>-</b>
	<b>844,050</b>	<b>54,350</b>	<b>-</b>	<b>-</b>

The Euro bank loan was renegotiated on 17 April 2012 and the remaining quarterly instalments are repayable in amounts of €378,000 to 31 March 2014, €498,000 to 31 March 2015 and €618,000 to 31 March 2017 with all outstanding amounts repayable on 17 April 2017 Interest is payable at 3.4% + EURIBOR

The Sterling bank loan was renegotiated on 17 April 2012 and is repayable on 17 April 2017 Interest is payable at 3.4% + LIBOR

**Beds & Bars Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 March 2013

**16 PROVISIONS FOR LIABILITIES**

GROUP	Deferred tax £
As at 1 April 2012	102,317
Profit and loss account	41,283
	<hr/>
As at 30 March 2013	143,600
	<hr/>

The above liability is in relation to accelerated capital allowances

A deferred tax asset of £478,389 (2012 £440,304) in respect of UK 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

**17 SHARE CAPITAL**

	2013 £	2012 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
Ordinary shares of £1 each	402,711	402,711
"B" 5% Fixed non-cumulative preference shares £1	2,500	2,500
	<hr/>	<hr/>
	405,211	405,211
	<hr/>	<hr/>
<b>EQUITY</b>		
Ordinary shares of £1 each	402,711	402,711
	<hr/>	<hr/>
<b>SHARES CLASSIFIED AS FINANCIAL LIABILITIES</b>		
"B" 5% Fixed non-cumulative preference shares £1	2,500	2,500
	<hr/>	<hr/>

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**  
for the year ended 30 March 2013

**18 RESERVES**

GROUP	Profit and loss account £	Revaluation reserve £	Share premium £	Total £
As at 1 April 2012	(11,837)	9,792,084	1,967,783	11,748,030
Retained loss for the year	(901,789)	-	-	(901,789)
Exchange differences	(120,389)	-	-	(120,389)
As at 30 March 2013	(1,034,015)	9,792,084	1,967,783	10,725,852

COMPANY	Profit and loss account £	Revaluation reserve £	Share premium £	Total £
As at 1 April 2012	(1,015,665)	-	1,967,783	952,118
Retained profit for the year	118,767	-	-	118,767
Exchange differences	(429,614)	-	-	(429,614)
As at 30 March 2013	(1,326,512)	-	1,967,783	641,271

**19 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Profit/(loss) for the financial year	(901,789)	223,003	118,767	106,298
Revaluation during the year	-	6,771,679	-	-
Exchange differences	(120,389)	(158,205)	(429,614)	360,120
Opening shareholders' funds	(1,022,178) 12,150,741	6,836,477 5,314,264	(310,847) 1,354,829	466,418 888,411
Closing shareholders' funds	11,128,563	12,150,741	1,043,982	1,354,829

**Beds & Bars Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**20 CASH FLOWS**

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

	2013 £	2012 £
Operating profit	927,984	1,466,778
Depreciation	1,628,541	1,463,862
Amortisation of goodwill	27,778	30,487
Loss on disposal of tangible fixed assets	110,083	2,529
(Increase)/decrease in stocks	(21,634)	13,338
Increase in debtors	(1,173,784)	(527,893)
Decrease in creditors	802,272	256,357
Exchange rate movements	(144,471)	507,353
	<u>2,156,769</u>	<u>3,212,811</u>

**b) ANALYSIS OF NET DEBT**

	As at 1 April 2012 £	Cash flow £	Other non-cash changes £	As at 30 March 2013 £
Cash in bank and in hand	1,047,287	(364,112)	-	683,175
Overdrafts	(344,639)	(320,755)	-	(665,394)
	<u>702,648</u>	<u>(684,867)</u>	<u>-</u>	<u>17,781</u>
Debt due within one year	(1,273,993)	1,479,307	(2,014,318)	(1,809,004)
Debt due after one year	(25,899,769)	(4,048,796)	1,824,562	(28,124,003)
	<u>(27,173,762)</u>	<u>(2,569,489)</u>	<u>(189,756)</u>	<u>(29,933,007)</u>
Net debt	<u>(26,471,114)</u>	<u>(3,254,356)</u>	<u>(189,756)</u>	<u>(29,915,226)</u>

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

	2013 £	2012 £
(Decrease)/increase in cash in the year	(684,867)	220,308
Cash outflow from reduction in net debt	(2,569,489)	(292,955)
Other non-cash changes	(189,756)	1,139,414
	<u>(3,441,612)</u>	<u>1,066,767</u>
Movement in net debt in the year	<u>(3,441,612)</u>	<u>1,066,767</u>
Opening net debt	<u>(26,471,114)</u>	<u>(27,537,881)</u>
Closing net debt	<u>(29,915,226)</u>	<u>(26,471,114)</u>

**Beds & Bars Limited**  
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**21 COMMITMENTS UNDER OPERATING LEASES**

As at 30 March 2013 the group was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2014

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Operating leases which expire				
Within one year	-	-	-	13,408
Between two and five years	125,000	125,000	-	-
In over five years	1,682,000	1,633,504	-	-
	<b>1,807,000</b>	<b>1,758,504</b>	<b>-</b>	<b>13,408</b>

**22 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

**23 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 £42,000 (2012 £32,000)

The group has a trading account with Heineken UK Limited, a shareholder of Beds & Bars Limited until April 2012 and a major supplier to Interpub Limited. During April 2012 the group made purchases from Heineken UK Limited totalling £126,577 (2012 £1,571,491). At the year end the group owed £nil (2012 £221,881) to Heineken UK Limited.

During the year costs were incurred on behalf of and recharged to the Flying Pigs UK Ltd, totalling £889,000 (2012 £1,000,000), a group which Mr K C Knowles & Mr T Sykes are both shareholders and directors and in which the group acquired a 13% interest for £552,117 during the year. At the year end the Flying Pigs UK Ltd owed £289,079 (2012 £332,696) to the group.

During the year costs of £55,538 (2012 £66,046) 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 £336,425 (2012 £222,750) to the group.

During the year costs of £29,199 (2012 £152,841) 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 £270,544 (2012 £152,841) to the group.

All transactions were carried out on normal commercial terms.



Beds & Bars Limited  
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24 CAPITAL COMMITMENTS

At 30 March 2013 the group had capital commitments contracted for but not provided for in the financial statements of £1,023,424 (2012 £Nil)

25 POST BALANCE SHEET EVENTS

In April 2013 the Group's Joint Venture Company, La Rotonde de la Villette SAS, disposed of the fonds de commerce, being its lease, stock & equipment, in consideration for a 10% shareholding in La Belle Rotonde SAS

Subsequent to the year end, in August 2013 the Company sold its investment in the Prague joint venture vehicle, Mosaic House s r o. The business agreed a franchise arrangement with its previous Partner, Bohemian Hostels s r o, to enable the St Christopher's Inns brand to retain a presence in the city