

Company Registration No. 05500765 (England and Wales)

BEDS & BARS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
26 MARCH 2016

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BEDS & BARS LIMITED

COMPANY INFORMATION

Directors	Mr K C Knowles Mr T R Sykes Mr A D Searle Mr L Knowles Mr M Roberts
Secretary	Mr T R Sykes
Company number	05500765
Registered office	Overlord House 1D Colet Gardens Hammersmith London England W14 9DH
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London United Kingdom EC4A 4AB
Bankers	HSBC West End Corporate Centre 5th Floor 70, Pall Mall London SW1Y 5EZ

BEDS & BARS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 26 MARCH 2016

The directors present the strategic report for the year ended 26 March 2016.

Fair review of the business and future developments

The directors are pleased to report that the group has enjoyed a strong performance for the year under review. This was against a backdrop of the terrible events in Paris in November 2015 and Brussels in March 2016. The impact of the terrorist atrocities has largely only affected the business within those countries itself for the time being, proving the resilience of our business model and spread of risk. That being said we regularly review our forecasts to ensure that we have sufficient resources to withstand other unforeseen events. We have also met the challenges of a weakening euro exchange rate as well as general economic uncertainty.

Presented in the table below is an analysis of Group Turnover and EBITDA, adjusting for certain one-off items. We have also compared the results using the FY16 average exchange rate of 1.3656 (FY15 1.2767). It also reflects the changes arising from our adoption of FRS102.

As shown, Group Turnover increased by 5% year on year, rising to £41.9million in FY16 from £39.7million in FY15. Group EBITDA on a like-for-like basis, as disclosed on page 2, increased year on year to £4.57million, up 26% on a like for like basis on FY15's £3.63million. After adjusting for the fact that FY16 saw the first full year of rental payments, EBITDA still rose 14% year on year.

In June 2015, the Group increased its shareholding in the Barcelona company to 50% thereby assuming full control from an accounting consolidation perspective. The year also saw the completion of protracted negotiations to arrange a refinancing of the Barcelona property via a sale and lease back arrangement. The property was sold at below book value creating an accounting loss on disposal of £6.2 million whilst the Bank accepted a write down of the loans and interest secured on it creating an accounting gain of £5.2 million. To fully understand the underlying trading performance of the Group, these exceptional items have been disclosed separately on the face of the statement of comprehensive income.

The full clearance of the Bank debt took place in a number of stages, the final of which occurred after the balance sheet date and which will result in a further accounting gain of €2.2 million arising in the year to 31 March 2017.

The completion of these negotiations has secured the future of the business and we are beginning to see the fruits of this in these results as well as going forward.

We continue to invest in our estate and have commissioned works in the current year to our Flying Horse site where we are adding beds for the first time and Village site, which we planning to double in size as well as refurbish the bar area. We have also begun the roll-out of our new Belushi's bar concept in Shepherd's Bush and will spread this across the network in due course.

We have also maintained our investment in our technology adding an Android version of our booking platform.

Despite the political, economic and competitive pressures the Group is well positioned to continue to grow in the next few years and is looking to expand its reach in Europe and the Rest of the World.

BEDS & BARS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 26 MARCH 2016

GROUP TURNOVER	FY16 £'000	FY15 £'000	Change £'000	Change %
Turnover at constant exchange rates	41,898	40,561	1,337	3
Adjustment for Barcelona not consolidated in FY15		(2,589)	2,589	
Revenues - Discontinued Businesses		90	(90)	
Adjustment for FX		1,659	(1,659)	
Reported Group Turnover	41,898	39,721	2,177	5
EBITDA				
EBITDA at constant exchange rates	4,570	3,625	945	26
Operating Expenses - Winston rent	(836)	(447)	(389)	
EBITDA after Winston rent	3,734	3,178	556	
EBITDA - Discontinued Businesses		29	(29)	
Adjustments in connection with Barcelona re-financing	173	48	125	
Adjustment for FX		187	(187)	
Reported EBITDA	3,907	3,442	465	14

Business risk

Beds & Bars has operated in the hospitality industry for 54 years, The industry has had cyclical volatility that has tracked macro-economic trends.

The hostel sector has been able to withstand this given the focus on the growing backpacker client base who tend to look for more of a shared experience at a competitive price point. Beds & Bars has at its core an understanding of the needs of its clients and is focussed on delivering a Fun, Safe, Secure and good Value environment, along with total commitment to developing its team at all levels which is demonstrated by the company achieving IIP Platinum status on 2016, one of only 7 companies in the UK to do so.

Recent isolated terror incidents and the ensuing state of emergencies that have been and continue to be in place in France have had an adverse impact on organised Group bookings which have decreased since November 2016. The risk of further incidents is acknowledged and the Group regularly models such impacts and the resources required to mitigate such risks.

The sector has been impacted by the growth of aggregator websites (OTA's) which direct traffic away from operators own web sites and put pressure on margins. This year the group has launched a major initiative to combat the incursion of OTA's which in ten weeks has already seen a 10% swing in booking source in favour of its direct channel.

The Group regularly reviews pricing and competitive offers in its target markets through its Yield Management system and maximises the use of its own platforms with special offers and promotions and the growth of its own brands.

Whilst demand in the Backpacker market is projected to grow over the next few years from US\$5.2 Billion to US \$7 Billion the market is becoming more competitive as new entrants join to participate in this growth. Beds & Bars boast a extraordinary 49% Food and Beverage mix of income which is 37% more than the industry average: this is a strong indicator that the company is focussed and succeeding in providing a premium social experience for its guests which research shows is one of the most important factors that consumer have when deciding where to stay. The group has over 10 million user interactions through web and social interface every year.

BEDS & BARS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 26 MARCH 2016

Business risk (continued)

As an established player and with the strength of its branded presence and focus on the client experience Beds & Bars is well placed to protect its unique market position,

Beds & Bars commitment to the development of its technology platforms and on-line capabilities means it is less dependent on OTA's. Management are focussed on enhancing the resilience of its technology infra-structure: It manages this by using third party service providers operating under service level agreements. The systems are regularly reviewed and appropriate back-up arrangements are maintained.

Beds & Bars aims to expand its business by adding to its existing estate as well as investing in new sites across Europe. The management team have a strong track record in developing new and existing sites.

The Group attracts travellers from all over the world and thus is exposed to exchange rate fluctuations. The Group offers clients the ability to pay in their own currencies but ensures that prices are updated regularly to mitigate the exchange risk.

Financial risk

Beds & Bars has funded the development of its business through retained profits and bank loans. The bank loans have variable interest rates which track a mixture of Bank base rates and Euribor. Thus any increases in those Base rates will increase the cost of finance and therefore impact the net profit of the group.

The ability to raise finance for new development is dependent on business performance and the resulting cash available to invest. The Group maintains strong controls to ensure that it does not over extend itself, has the requisite resources in place and is able to satisfy its banking covenants. The group has the benefit of a number of prime freehold properties.

The group is exposed to short-term cancellation of bookings. In mitigation management ensure that a non-refundable deposit is taken at the time of booking and encourages full payment in advance through, amongst other things, the fixing of exchange rates. All clients must pay in full before beds are made available except in a minority of cases where credit is offered to approved agents.

Key performance indicators

The board use a number of indicators to track the performance of the company (KPIs). These include, amongst others: the average net bed rate achieved by location, weekly turnover, occupancy rates, accommodation, food and beverage gross margins, revenues by booking channel, EBITDA performance by site and customer review data. The KPIs are reviewed on a weekly and monthly basis and compared to budget and prior years' performance.

On behalf of the board



Mr T R Sykes
Director

21/12/16

BEDS & BARS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 26 MARCH 2016

The directors present their annual report and financial statements for the year ended 26 March 2016.

Principal activities

The principal activity of the company and group continued to be that of a licenced public house with ancillary budget accommodation.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr K C Knowles

Mr T R Sykes

Mr A D Searle

Mr L Knowles

(Appointed 14 June 2016)

Mr M Roberts

(Appointed 13 December 2016)

Results and dividends

The results for the year are set out on pages 8 to 9.

Ordinary dividends of £34,154 were paid. The directors do not recommend payment of a further dividend.

Political donations

The group has made no political donations in the current or comparative year.

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.

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 the 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.

Auditor

The auditor, RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic Report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report.

BEDS & BARS LIMITED

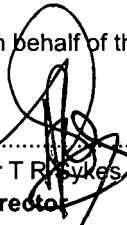
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 26 MARCH 2016

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



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Mr T R Sykes
Director
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21/12/16

BEDS & BARS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 26 MARCH 2016

The directors are responsible for preparing the Strategic Report and 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 company, and of the profit or loss for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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 company financial statements (the "financial statements") on pages 8 to 58. 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As 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 of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 26 March 2016 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.

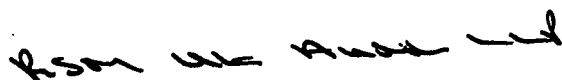
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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 company, or returns adequate for our audit have not been received from branches not visited by us;
- the parent company financial statements are not in agreement with the accounting records and returns;
- 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.



Paul Newman BSc ACA (Senior Statutory Auditor)

for and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

United Kingdom

EC4A 4AB

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21/12/16

BEDS & BARS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 26 MARCH 2016

	Notes	2016 £	2015 £
Turnover	3	41,897,880	39,721,098
Cost of sales		(8,139,700)	(7,180,126)
Gross profit		33,758,180	32,540,972
Administrative expenses		(32,975,155)	(34,195,449)
EBITDA* before exceptional items		3,906,634	3,441,556
Depreciation of tangible fixed assets	13	(2,023,818)	(1,713,635)
Amortisation and impairment of goodwill	12	(137,926)	(282,138)
Amortisation of negative goodwill	12	15,568	15,568
Impairment of tangible fixed assets	11	-	(571,245)
Loss on disposal of tangible fixed assets		(6,215,977)	(1,864,882)
Restructuring costs re debt refinancing		-	(679,701)
Gains from refinancing		5,238,544	-
Operating profit/(loss)	4	783,025	(1,654,477)
Share of results of associates and joint ventures		187,104	(259,693)
Interest receivable and similar income	8	98,952	10,434
Interest payable and similar charges	9	(820,691)	(938,407)
Profit/(loss) on ordinary activities before taxation		248,390	(2,842,143)
Taxation	10	452,423	(270,127)
Profit/(loss) for the financial year	29	700,813	(3,112,270)
Other comprehensive income			
Revaluation of tangible fixed assets		-	4,064,367
Currency translation differences		(152,679)	(225,704)
Tax relating to other comprehensive income		155,023	391,979
Total comprehensive income for the year		703,157	1,118,372

*Earnings before interest, tax, depreciation and amortisation

BEDS & BARS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

	Notes	2016 £	2015 £
Profit/(loss) for the financial year is attributable to:			
- Owners of the parent company		62,157	(2,938,614)
- Non-controlling interests		638,656	(173,656)
		<u>700,813</u>	<u>(3,112,270)</u>
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		(90,521)	1,496,508
- Non-controlling interests		793,678	(378,136)
		<u>703,157</u>	<u>1,118,372</u>

BEDS & BARS LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 26 MARCH 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Goodwill	12	3,447,360		3,266,975	
Negative goodwill	12	(311,354)		(326,922)	
Net goodwill		3,136,006		2,940,053	
Tangible assets	13	29,919,792		29,341,503	
Investments	14	91,501		91,501	
		33,147,299		32,373,057	
Current assets					
Stocks	16	327,033		278,641	
Debtors falling due within one year	17	2,908,683		3,620,316	
Debtors falling due after one year	17	720,605		547,260	
Debtors		3,629,288		4,167,576	
Cash at bank and in hand		4,379,868		3,923,508	
		8,336,189		8,369,725	
Creditors: amounts falling due within one year	18	(13,889,957)		(9,562,036)	
Net current liabilities		(5,553,768)		(1,192,311)	
Total assets less current liabilities		27,593,531		31,180,746	
Creditors: amounts falling due after more than one year	19	(15,934,027)		(18,817,620)	
Share of net liabilities in joint ventures					
Share of gross assets		-		(7,032,281)	
Share of gross liabilities		-		7,573,645	
		-		(541,364)	
Other provisions	23	(1,746,651)		(2,146,286)	
Provisions for liabilities		(1,746,651)		(2,687,650)	
Net assets		9,912,853		9,675,476	

BEDS & BARS LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)****AS AT 26 MARCH 2016****Capital and reserves**

Called up share capital	26	402,711	402,711
Share premium account	27	1,967,783	1,967,783
Revaluation reserve	28	6,355,909	6,200,886
Profit and loss reserves	29	2,248,027	2,493,571

Equity attributable to owners of the parent company

10,974,430

11,064,951

Non-controlling interests

(1,061,577)

(1,389,475)

9,912,853

9,675,476

The financial statements were approved by the board of directors and authorised for issue on 21st Dec 2016 and are signed on its behalf by:

.....
Mr T R Sykes
Director

BEDS & BARS LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 26 MARCH 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Intangible assets	12	675,000		712,500	
Tangible assets	13	76,566		25,381	
Investments	14	2,208,899		3,767,463	
		<u>2,960,465</u>		<u>4,505,344</u>	
Current assets					
Debtors	17	6,797,782		11,206,559	
Cash at bank and in hand		2,213,000		1,551,516	
		<u>9,010,782</u>		<u>12,758,075</u>	
Creditors: amounts falling due within one year	18	<u>(10,180,538)</u>		<u>(17,150,814)</u>	
Net current liabilities		<u>(1,169,756)</u>		<u>(4,392,739)</u>	
Total assets less current liabilities		<u>1,790,709</u>		<u>112,605</u>	
Creditors: amounts falling due after more than one year	19	<u>(502,500)</u>		<u>(502,500)</u>	
Net assets/(liabilities)		<u><u>1,288,209</u></u>		<u><u>(389,895)</u></u>	
Capital and reserves					
Called up share capital	26	402,711		402,711	
Share premium account	27	1,967,783		1,967,783	
Profit and loss reserves	29	<u>(1,082,285)</u>		<u>(2,760,389)</u>	
Total equity		<u><u>1,288,209</u></u>		<u><u>(389,895)</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 21st Dec 2016 and are signed on its behalf by:

Mr T R Sykes
Director

BEDS & BARS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 26 MARCH 2016

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total controlling interests £	Non-controlling interest £	Total £
For the period ended 31 March 2015:								
Balance at 1 April 2014		402,711	1,967,783	9,711,006	124,549	12,206,049	392,737	12,598,786
Effect of transition to FRS 102	36	-	-	(1,942,201)	-	(1,942,201)	-	(1,942,201)
Prior year adjustments	37	-	-	-	(668,927)	(668,927)	(1,384,863)	(2,053,790)
As restated		402,711	1,967,783	7,768,805	(544,378)	9,594,921	(992,126)	8,602,795
Period ended 31 March 2015:								
Loss for the year		-	-	-	(2,938,614)	(2,938,614)	(173,656)	(3,112,270)
Other comprehensive income:								
Revaluation of tangible fixed assets		-	-	4,064,367	-	4,064,367	-	4,064,367
Currency translation differences		-	-	-	(225,704)	(225,704)	-	(225,704)
Tax relating to other comprehensive income		-	-	391,979	-	391,979	-	391,979
Amounts attributable to non-controlling interests		-	-	-	204,480	204,480	(204,480)	-
Total comprehensive income for the year		-	-	4,456,346	(2,959,838)	1,496,508	(378,136)	1,118,372
Dividends		-	-	-	(26,478)	(26,478)	(19,213)	(45,691)
Transfers		-	-	(6,024,265)	6,024,265	-	-	-
Balance at 31 March 2015		402,711	1,967,783	6,200,886	2,493,571	11,064,951	(1,389,475)	9,675,476

BEDS & BARS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total controlling interests £	Non- controlling interest £	Total £
Period ended 26 March 2016:								
Profit for the year		-	-	-	62,157	62,157	638,656	700,813
Other comprehensive income:								
Currency translation differences on overseas subsidiaries		-	-	-	(152,679)	(152,679)	-	(152,679)
Tax relating to other comprehensive income		-	-	155,023	-	155,023	-	155,023
Amounts attributable to non-controlling interests		-	-	-	(155,022)	(155,022)	155,022	-
Total comprehensive income for the year		-	-	155,023	(245,544)	(90,521)	793,678	703,157
Dividends		-	-	-	-	-	(34,154)	(34,154)
NCI share of net assets on business combination (note 30)		-	-	-	-	-	(431,626)	(431,626)
Balance at 26 March 2016		402,711	1,967,783	6,355,909	2,248,027	10,974,430	(1,061,577)	9,912,853

BEDS & BARS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 26 MARCH 2016

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2014		402,711	1,967,783	(2,410,159)	(39,665)
Period ended 31 March 2015:					
Loss and total comprehensive income for the year		-	-	(350,230)	(350,230)
Balance at 31 March 2015		402,711	1,967,783	(2,760,389)	(389,895)
Period ended 26 March 2016:					
Profit and total comprehensive income for the year		-	-	1,678,104	1,678,104
Balance at 26 March 2016		402,711	1,967,783	(1,082,285)	1,288,209

BEDS & BARS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 26 MARCH 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	35	3,380,154		2,663,708	
Interest paid		(605,253)		(938,407)	
Income taxes paid		(374,334)		(47,558)	
Net cash inflow from operating activities		2,400,567		1,677,743	
Investing activities					
Purchase of business		652,948		-	
Purchase of tangible fixed assets		(1,491,779)		(1,040,029)	
Proceeds on disposal of tangible fixed assets		10,103,910		12,469,709	
Interest received		98,952		10,435	
Net cash generated from investing activities		9,364,031		11,440,115	
Financing activities					
Proceeds from borrowings		470,093		11,000,000	
Repayment of borrowings		(12,462,073)		(24,146,182)	
Payment of finance leases obligations		(23,890)		(131,569)	
Dividends paid to equity shareholders		-		(26,478)	
Dividends paid to non-controlling interests		(34,154)		-	
Net cash used in financing activities		(12,050,024)		(13,304,229)	
Net decrease in cash and cash equivalents		(285,426)		(186,371)	
Cash and cash equivalents at beginning of year		3,562,106		1,160,157	
Effect of foreign exchange rates		98,182		2,588,320	
Cash and cash equivalents at end of year		3,374,862		3,562,106	
Relating to:					
Cash at bank and in hand		4,379,868		3,923,508	
Bank overdrafts included in creditors payable within one year		(1,005,006)		(361,402)	

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 26 MARCH 2016

1 Accounting policies

Company information

Beds & Bars Limited is a company limited by shares incorporated in England and Wales. The registered office is Overlord House, 1D Colet Gardens, Hammersmith, London, England, W14 9DH.

The group consists of Beds & Bars Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 26 March 2016 are the first financial statements of Beds & Bars Limited and the group prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The group and company financial statements for the year ended 31 March 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date and are detailed in note 36.

The Group is not entitled to take the Qualifying Entity exemptions detailed in paragraph 1.12 of FRS 102 however the company in its individual financial statements has taken advantage of the following disclosure exemptions:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

As permitted by s408 Companies Act 2006, the company has not presented its own statement of comprehensive income. The company's profit for the year was £1,678,104 (2015 - £350,230 loss).

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 MARCH 2016

1 Accounting policies (Continued)

Prior period adjustments

The effects of prior period adjustments have been disclosed in note 37.

Basis of consolidation

The consolidated financial statements incorporate those of Beds & Bars Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 26 March 2016.

For the prior period of account all financial statements were made up to 31 March 2015 with the exception of Flying Pig UK Limited. Flying Pig UK Limited financial statements were previously made up to 30 September, the period end has now been aligned with the rest of the Group therefore the current period of account covers the period from 1 October 2014 to 31 March 2016.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Going concern

The financial statements have been prepared on the going concern.

The Group is partly funded by a long term loan facility from HSBC Bank plc with repayments based on a 20 year repayment profile with a final bullet repayment due on 31st March 2030. The covenants attached to the loan are considered reasonable and achievable and measure cash from operating activities less dividends, occupancy levels and loan to value.

The directors have prepared a detailed business plan including cash flow projections for the period through to 31 December 2017 which indicate that the Group will comfortably meet the covenant requirements.

Having considered potential risks and the current economic environment, the directors have a reasonable expectation that the Group will achieve the forecasted performance and has adequate resources to continue in operational existence for the foreseeable future.

Based on the foregoing, the directors believe that it remains appropriate to adopt the going concern basis of accounting in preparing the financial statements.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

1 Accounting policies (Continued)

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

On entering an arrangement with the company, a franchisee pays an initial setup fee. This is used to cover the company's cost in the initial setup of the franchisee on the advertising platforms, setup of a website on behalf of the franchisee, and such other initial services as the company agrees. Turnover is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

The company charges commission on the bookings made through the company's website within the agent relationship with the franchisee. In the event that a booking is cancelled, the company's commission element is not refundable. Therefore, commission is recognised on the date that the booking is made.

The Company recognises revenue in respect of management charges receivable from its subsidiary undertakings. Turnover is recognised when the Company becomes entitled to receive the revenue under the intercompany arrangement.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Negative goodwill arises when the cost of a business combination is less than the fair value of the interest in the identifiable assets, liabilities and contingent liabilities acquired. The amount up to the fair value of the non-monetary assets acquired is credited to profit or loss in the period in which those non-monetary assets are realised. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to profit or loss in the periods expected to benefit, which the directors consider to be 20 years.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

1 Accounting policies (Continued)

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents and licences	20 years
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Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	50 years
Leasehold land and buildings	length of the lease or 10 years
Fixtures and fittings	5 or 10 years
Motor vehicles	4 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity, such gains and loss are recognised in profit or loss.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 MARCH 2016

1 Accounting policies (Continued)

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises of purchase price.

Cost is calculated using the first-in first-out method.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 MARCH 2016

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest and subsequently at amortised cost.

Other financial assets

Other financial assets, including trade investments and derivatives, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is initially measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 MARCH 2016

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the group to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property based on the rates and allowances that have been substantively enacted at the reporting date.

Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 MARCH 2016

1 Accounting policies (Continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

The sale of assets under a sale and leaseback transaction is treated as a disposal of the assets concerned and any profit or loss arising from the transaction is recognised immediately in the income statement. The corresponding rentals payable are charged to income on a straight-line basis over the term of the relevant lease.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 MARCH 2016

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Sale and leaseback transactions

The accounting treatment of the sale and leaseback transaction is determined by an assessment of the nature of the subsequent lease back, the fair value of the sale price and the fair value of the subsequent lease payments. The directors have determined that the substance of the agreement is a sale of a hotel together with a subsequent leaseback under an operating lease. This is a matter of judgment based on the substance of the arrangement.

Lease categorisation

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Group as lessee, or the lessee, where the Group is a lessor.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of assets

The recoverable amount of goodwill and other intangible assets is based on value in use which requires estimates in respect of the allocation of goodwill to cash generating units, the future cash flows and an appropriate discount rate. The key inputs to the value in use calculations are the discount rate and the future earnings growth.

Following their review, the directors have determined that no impairment is necessary (2015 - £708,211).

Valuation of properties

The group has a policy of revaluing freehold and long leasehold property. In order to ensure that the valuation of the properties within the financial statements is materially correct, the directors rely on valuations undertaken by appropriately qualified experts undertaken on a regular basis.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 MARCH 2016

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2016 £	2015 £
Turnover analysed by class of business		
Sales of accommodation and ancillary services	21,247,983	21,272,547
Sales of food and beverages	20,624,105	18,448,551
Other sales	25,792	-
	<u>41,897,880</u>	<u>39,721,098</u>

Other revenue

Interest income	98,952	10,434
	<u>98,952</u>	<u>10,434</u>

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	18,426,865	17,660,317
Rest of Europe	23,471,015	22,060,781
	<u>41,897,880</u>	<u>39,721,098</u>

4 Operating profit/(loss)

	2016 £	2015 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange losses/(gains)	103,621	(247,799)
Depreciation of owned tangible fixed assets	1,983,808	1,652,017
Depreciation of tangible fixed assets held under finance leases	40,010	61,618
Impairment of owned tangible fixed assets	-	571,245
Loss on disposal of tangible fixed assets	6,215,977	1,864,882
Amortisation of goodwill	137,926	145,172
Impairment of goodwill	-	136,966
Release of negative goodwill	(15,568)	(15,568)
Cost of stocks recognised as an expense	8,136,233	7,180,126
Operating lease charges	6,213,303	5,734,653
	<u>6,213,303</u>	<u>5,734,653</u>

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

5 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	20,400	22,250
Audit of the company's subsidiaries	50,868	27,750
	<u>71,268</u>	<u>50,000</u>
For other services		
Taxation compliance services	84,767	79,970
	<u>84,767</u>	<u>79,970</u>

6 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2016 Number	2015 Number
Management	64	55
Operational staff	468	447
Administration	37	42
	<u>569</u>	<u>544</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	12,459,711	10,126,700
Social security costs	1,086,218	1,706,177
Pension costs	22,347	27,030
	<u>13,568,276</u>	<u>11,859,907</u>

7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	<u>540,906</u>	<u>529,898</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>397,211</u>	<u>330,524</u>
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BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

8 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	98,952	-
Other interest income	-	10,434
	<u>98,952</u>	<u>10,434</u>
Total income	<u>98,952</u>	<u>10,434</u>
Investment income includes the following:		
Interest on financial assets measured at amortised costs	<u>98,952</u>	<u>-</u>

9 Interest payable and similar charges

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	568,685	721,744
Interest on finance leases and hire purchase contracts	4,841	5,979
Dividends on preference shares classified as liabilities	125	125
Interest on other loans	247,040	210,559
	<u>820,691</u>	<u>938,407</u>

10 Taxation

	2016 £	2015 £
Foreign current tax on profits for the current period	<u>332,788</u>	<u>96,449</u>
Deferred tax		
Origination and reversal of timing differences	(256,654)	173,678
Changes in tax rates	21,735	-
Adjustment in respect of prior periods	(550,292)	-
	<u>(785,211)</u>	<u>173,678</u>
Total deferred tax	<u>(785,211)</u>	<u>173,678</u>
Total tax charge	<u>(452,423)</u>	<u>270,127</u>

During the year, the Finance (No 2) Act 2015 was enacted so as to reduce the corporation tax rate to 18% for the financial year 2020. The Finance Bill 2016, which is yet to be substantively enacted, proposes that the rate will reduce by a further 1% for that year.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

10 Taxation (Continued)

The charge for the year can be reconciled to the loss per the income statement as follows:

	2016 £	2015 £
Profit/(loss) before taxation	248,390	(2,842,143)
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	49,678	(596,850)
Tax effect of expenses that are not deductible in determining taxable profit	129,671	39,377
Tax effect of utilisation of tax losses not previously recognised	-	(192,936)
Effect of change in corporation tax rate	50,252	-
Permanent capital allowances (less than)/in excess of depreciation	(357,123)	114,960
Amortisation on assets not qualifying for tax allowances	24,472	-
Other permanent differences	(123,101)	528,318
Effect of overseas tax rates	474,756	119,677
Deferred tax adjustments in respect of prior years	(550,292)	157,129
Foreign exchange through OCI re net investment in foreign operations	(150,736)	(157,129)
Chargable gains	-	257,581
Tax charge for the year	(452,423)	270,127

In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2016 £	2015 £
Deferred tax arising on: Revaluation of property	(155,023)	(391,979)

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

11 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2016 £	2015 £
In respect of:		
Goodwill	-	136,966
Property, plant and equipment	-	571,245
	<u> </u>	<u> </u>
Recognised in:		
Administrative expenses	-	708,211
	<u> </u>	<u> </u>

The impairment losses in respect of financial assets are recognised in other gains and losses in the income statement.

In 2015 a provision of £708,211 was made in the accounts of St Christopher's (Bruges) BV, to impair the investment in its subsidiary Crossgate NV. This reflected the boards view that the trading outlook and financial position of Crossgate NV mean that the full recovery of the Group's investment in the business is doubtful in the short to medium term.

12 Intangible fixed assets

Group	Goodwill £	Negative goodwill £	Total £
Cost			
At 1 April 2015	4,394,552	(467,035)	3,927,517
Additions - business combinations	116,596	-	-
Exchange adjustments	296,245	-	296,245
	<u> </u>	<u> </u>	<u> </u>
At 26 March 2016	4,807,393	(467,035)	4,340,358
Amortisation and impairment			
At 1 April 2015	1,127,577	(140,113)	987,464
Amortisation charged for the year	137,926	(15,568)	122,358
Exchange adjustments	94,530	-	94,530
	<u> </u>	<u> </u>	<u> </u>
At 26 March 2016	1,360,033	(155,681)	1,204,352
Carrying amount			
At 26 March 2016	<u>3,447,360</u>	<u>(311,354)</u>	<u>3,136,006</u>
At 31 March 2015	<u>3,266,975</u>	<u>(326,922)</u>	<u>2,940,053</u>

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

12 Intangible fixed assets (Continued)

Company	Patents and licences
	£
Cost	
At 1 April 2015 and 26 March 2016	750,000
Amortisation	
At 1 April 2015	37,500
Amortisation charged for the year	37,500
At 26 March 2016	75,000
Carrying amount	
At 26 March 2016	675,000
At 31 March 2015	712,500

More information on the impairment arising in the group in the prior year is given in note 11.

Amortisation charges of the group and company are included within administrative expenses.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 MARCH 2016

13 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2015	17,739,670	12,002,525	10,322,088	120,864	40,185,147
Additions	114,928	139,372	1,473,357	-	1,727,657
Business combinations	15,381,239	-	1,798,695	-	17,179,934
Disposals	(15,718,903)	-	(1,515,338)	-	(17,234,241)
Exchange adjustments	429,116	371,198	548,980	-	1,349,294
At 26 March 2016	17,946,050	12,513,095	12,627,782	120,864	43,207,791
Depreciation and impairment					
At 1 April 2015	572,810	5,195,154	5,118,514	76,522	10,963,000
Depreciation charged in the year	199,622	385,350	1,419,606	19,240	2,023,818
Eliminated in respect of disposals	-	-	(943,799)	-	(943,799)
Exchange adjustments	34,490	164,310	235,181	-	433,981
Business combinations	-	-	810,999	-	810,999
At 26 March 2016	806,922	5,744,814	6,640,501	95,762	13,287,999
Carrying amount					
At 26 March 2016	17,139,128	6,768,281	5,987,281	25,102	29,919,792
At 31 March 2015	17,550,856	6,807,775	4,938,530	44,342	29,341,503

Company	Fixtures and fittings
	£
Cost or valuation	
At 1 April 2015	183,919
Additions	62,425
At 26 March 2016	246,344
Depreciation and impairment	
At 1 April 2015	158,538
Depreciation charged in the year	11,240
At 26 March 2016	169,778
Carrying amount	
At 26 March 2016	76,566
At 31 March 2015	25,381

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 MARCH 2016

13 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Fixtures and fittings	271,566	-	-	-
Motor vehicles	33,325	44,342	-	-
	<u>304,891</u>	<u>44,342</u>	<u>-</u>	<u>-</u>

Land and buildings with a carrying amount of £17,161,262 (2015 - £17,277,000) were revalued at 25 November 2014 by Christie & Co, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. Christie & Co are Chartered Surveyors and members of RICS.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Cost	9,737,655	17,012,874	-	-
Accumulated depreciation	346,679	374,857	-	-
Carrying value	<u>9,390,976</u>	<u>16,638,017</u>	<u>-</u>	<u>-</u>

The revaluation surplus is disclosed in note 28.

More information on the impairment arising in the prior year is given in note 11.

14 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	15	-	-	2,117,398	3,623,257
Investments in joint ventures		91,501	(449,863)	91,501	144,206
		<u>91,501</u>	<u>(449,863)</u>	<u>2,208,899</u>	<u>3,767,463</u>

Fixed asset investments not carried at market value

The group and company hold an investment of less than 20% in an unlisted entity. The directors do not believe that the fair value of the investment can be reliably measured. In accordance with paragraph 11.14 (d) of FRS 102, this investment is held at cost less impairment.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

14 Fixed asset investments (Continued)

Movements in fixed asset investments Group

	Investments less than 20%	Investments in joint ventures	Total
	£	£	£
Cost or valuation			
At 26 March 2016	662,190	(541,364)	120,826
Share of retained profit for the period	-	187,104	187,104
Foreign exchange movement	-	2,192	2,192
Disposals - business combination (note 30)	-	315,030	315,030
	<u>662,190</u>	<u>(37,038)</u>	<u>625,152</u>
At 26 March 2016	662,190	(37,038)	625,152
Impairment			
At 1 April 2015 & 26 March 2016	570,689	-	570,689
	<u>570,689</u>	<u>-</u>	<u>570,689</u>
Carrying amount			
At 26 March 2016	91,501	(37,038)	54,463
	<u>91,501</u>	<u>(37,038)</u>	<u>54,463</u>
At 31 March 2015	91,501	(541,364)	(449,863)
	<u>91,501</u>	<u>(541,364)</u>	<u>(449,863)</u>

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

14 Fixed asset investments (Continued)

Movements in fixed asset investments Company

	Investments less than 20%	Investments in joint ventures	Investments in subsidiaries	Total
	£	£	£	£
Cost or valuation				
At 26 March 2016	1,336,763	52,705	3,623,257	5,012,725
Additions	-	(89,743)	89,743	-
At 26 March 2016	1,336,763	(37,038)	3,713,000	5,012,725
Impairment				
At 1 April 2014 & 26 March 2015	1,245,262	-	-	1,245,262
Carrying amount				
At 26 March 2016	91,501	(37,038)	3,713,000	3,767,463
At 31 March 2015	91,501	52,705	3,623,257	3,767,463

On 12 June 2015 the group increased its investment in Litera y Bares SL, a company incorporated in Spain. As a result of the increased individual shareholding of the group, the directors consider that they have now gained control of the entity and the carrying value at that date within investments in joint ventures was treated as part of the business combination in accordance with paragraphs 9.19B and 19.11A of FRS 102.

Included within the consolidated group value of investments at 31 March 2015 is a credit balance of £541,364 which represents the Group's share of the assets and liabilities of its joint venture undertaking, Litera y Bares SL. During the current year, as discussed above, Litera y Bares SL ceased to be a joint venture and therefore no balance in respect of the Group's share of assets and liabilities in joint ventures is held at 26 March 2016.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 MARCH 2016

15 Subsidiaries

Details of the company's subsidiaries at 26 March 2016 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct Indirect	
Interpub Limited	England & Wales	Licence public houses with ancillary budget accommodation	Ordinary	100.00	
St Christopher's Holdings Limited	England & Wales	Dormant holding company	Ordinary	100.00	
St Christopher's (Amsterdam) BV	Netherlands	Licence public houses with ancillary budget accommodation	Ordinary	100.00	
St Christopher's (Bruges) BV	Belgium	Licence public houses with ancillary budget accommodation	Ordinary	90.00	
St Christoher's (Berlin) GmbH	Germany	Licence public houses with ancillary budget accommodation	Ordinary	100.00	
Interpub Solutions Limited	England & Wales	Dormant	Ordinary		100.00
St Christopher's Inns Limited	England & Wales	Property holding company	Ordinary		100.00
St Christopher's (Orient) Limited	England & Wales	Property holding company	Ordinary		75.00
Crossgate NV	Belgium	Licence public houses with ancillary budget accommodation	Ordinary		90.00
Hotel Winston BV	Netherlands	Licence public houses with ancillary budget accommodation	Ordinary		100.00
Winston Kingdom BV	Netherlands	Nightclub	Ordinary		100.00
St Christopher's (Paris) sas	France	Licence public houses with ancillary budget accommodation	Ordinary	73.00	
Gare du Nord sas	France	Licence public houses with ancillary budget accommodation	Ordinary		73.00
Litera y Bares SL	Spain	Licence public houses with ancillary budget accommodation	Ordinary	50.00	
Beds and Bars Franchise Limited	England & Wales	Franchising	Ordinary	100.00	
Flying Pig UK Limited	England & Wales	Holidng company	Ordinary	13.00	
Flying Pig Headoffice BV	Netherlands	Holding company	Ordinary		13.00
Flying Pig Down Town BV	Netherlands	Licence public houses with ancillary budget accommodation	Ordinary		13.00
Flying Pig Uptown BV	Netherlands	Licence public houses with ancillary budget accommodation	Ordinary		13.00

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

15 Subsidiaries (Continued)

Flying Pig UK Limited, Flying Pig Headoffice B.V., Flying Pig Down Town B.V. and Flying Pig Up Town B.V. have previously prepared financial statements with a reporting date of 30 September and for the purpose of consolidation management accounts with a reporting date of 31 March were used.

These companies have now prepared a longer period of account in order to align its reporting date with the group, each company has therefore prepared accounts from 1 October 2014 to 31 March 2016. Management accounts for the year ended 31 March 2016 have been used in order to prepare the group accounts. For future accounting periods the reporting date for all subsidiaries will now be aligned.

16 Stocks

	Group 2016 £	2015 £	Company 2016 £	2015 £
Raw materials and consumables	188,228	153,067	-	-
Finished goods and goods for resale	138,805	125,574	-	-
	<u>327,033</u>	<u>278,641</u>	<u>-</u>	<u>-</u>

There has been no impairment to stock in the current or previous year.

17 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
Amounts falling due within one year:				
Trade debtors	620,375	189,243	-	680
Corporation tax recoverable	223,133	141,085	-	-
Other debtors	739,656	2,325,582	60,728	-
Prepayments and accrued income	757,348	964,406	2,024	5,545
	<u>2,340,512</u>	<u>3,620,316</u>	<u>62,752</u>	<u>6,225</u>
Deferred tax asset (note 24)	568,171	-	540,599	-
	<u>2,908,683</u>	<u>3,620,316</u>	<u>603,351</u>	<u>6,225</u>
Amounts falling due after one year:				
Amounts due from fellow group undertakings	-	-	6,157,259	11,180,960
Other debtors	720,605	547,260	37,172	19,374
	<u>720,605</u>	<u>547,260</u>	<u>6,194,431</u>	<u>11,200,334</u>
Total debtors	<u>3,629,288</u>	<u>4,167,576</u>	<u>6,797,782</u>	<u>11,206,559</u>

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

18 Creditors: amounts falling due within one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	21	3,319,617	906,275	-	-
Obligations under finance leases	22	106,796	31,309	-	-
Other borrowings	21	1,261,184	800,000	-	-
Payments received on account		75,117	-	-	-
Trade creditors		3,147,251	2,657,766	3,912	-
Amounts due to group undertakings		-	-	9,796,511	15,074,595
Corporation tax payable		129,236	15,384	-	-
Other taxation and social security		1,186,586	1,066,360	8,321	(141)
Other creditors		1,627,405	940,023	48,082	1,681,160
Accruals and deferred income		3,036,765	3,144,919	323,712	395,200
		<u>13,889,957</u>	<u>9,562,036</u>	<u>10,180,538</u>	<u>17,150,814</u>

19 Creditors: amounts falling due after more than one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	21	10,780,614	11,283,154	-	-
Obligations under finance leases	22	167,177	667,995	-	-
Other borrowings	21	4,675,362	4,834,872	500,000	500,000
Preference shares		2,500	2,500	2,500	2,500
Other creditors		-	1,695,163	-	-
Accruals and deferred income		308,374	333,936	-	-
		<u>15,934,027</u>	<u>18,817,620</u>	<u>502,500</u>	<u>502,500</u>

20 Financial instruments

	Group 2016 £	2015 £	Company 2016 £	2015 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	2,048,951	3,062,085	6,255,159	11,201,014
Equity instruments measured at cost less impairment	91,501	-	2,208,899	3,767,463
Carrying amount of financial liabilities				
Debt instruments measured at amortised cost	28,508,162	27,297,912	10,674,717	17,653,455

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

21 Borrowings

	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans	13,095,225	11,828,027	-	-
Bank overdrafts	1,005,006	361,402	-	-
Preference shares	2,500	2,500	2,500	2,500
Loans from related parties	238,000	238,000	-	-
Other loans	5,698,546	5,396,872	500,000	500,000
	<u>20,039,277</u>	<u>17,826,801</u>	<u>502,500</u>	<u>502,500</u>
Payable within one year	4,580,801	1,706,275	-	-
Payable after one year	15,458,476	16,120,526	502,500	502,500
	<u></u>	<u></u>	<u></u>	<u></u>
Amounts included above which fall due after five years:				
Payable by instalments	7,505,139	8,832,814	-	-
Payable other than by instalments	(238,000)	(238,000)	-	-
	<u>7,267,139</u>	<u>8,594,814</u>	<u>-</u>	<u>-</u>

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

21 Borrowings (Continued)

Bank loans

Interpub Limited owed to HSBC Bank plc an amount of £10,629,658 (2015 - £11,000,000). Interest is payable at 2.5% per annum over Bank of England base rate. The loan is repayable by monthly instalments with the term of the loan ending in March 2030. The loan is secured by a first legal charge over certain freehold and leasehold properties owned by Interpub Limited and St Christopher's Inns Limited together with fixed and floating charges over the trade and assets of the company and various group companies.

Other loans

Beds & Bars Limited owed C&C Group PLC an amount of £500,000 (2015 - £500,000). The loan is repayable in full in April 2017, is unsecured and bears interest at 10% per annum.

Flying Pig UK Limited owed Heineken UK Limited an amount of £2,399,521 (2015 - £2,500,000). Interest is payable at 3% per annum over Bank of England base rate. The loan is repayable at £100,000 per annum between April 2015 and April 2021 with the final repayment of £1,800,000 due in April 2022. The loan is secured over Flying Pig UK Limited's interest in its Dutch subsidiaries.

St Christopher's (Amsterdam) BV owes £800,000 (2015 - £800,000) to an individual. Interest at the fixed rate of 8.00% per annum is charged on the loan which falls due for repayment in March 2017 and is secured by a second legal charge over certain freehold property of the group. The terms of the loan allow that at the current and comparative reporting date the individual may give six months' notice to recall the loan prior to maturity, and the full balance has therefore been included within amounts falling due in less than one year as required by FRS 102. The directors have no reason to believe that the loan will be called prior to the maturity date, and as at the date of approval of these financial statements no notice has been received by the group.

The remaining group companies owed a total of £2,401,060 (€3,013,122) (2015 - £2,521,790 (€3,445,017)) to various financial institutions repayable through quarterly or monthly instalments with the terms of the loans ending at various dates between 1 September 2019 and 1 April 2028. The loans incur interest at various fixed rates between 3.17% and 6.50% p.a. or variable rates at EURIBOR 3 month rate plus between 2.80% and 3.00% per annum and are generally secured over specific group assets.

22 Finance lease obligations

	Group 2016 £	2015 £	Company 2016 £	2015 £
Future minimum lease payments due under finance leases:				
Less than one year	107,294	31,309	-	-
Between one and five years	201,777	675,673	-	-
	<u>309,071</u>	<u>706,982</u>	<u>-</u>	<u>-</u>
Less: future finance charges	(35,098)	(7,678)	-	-
	<u>273,973</u>	<u>699,304</u>	<u>-</u>	<u>-</u>

The group has entered into various hire purchase arrangements in order to purchase various fixed assets. At 31 March 2016, the hire purchase arrangements have final payment dates ranging from August 2016 to February 2019 and it is expected that the group will retain ownership of the assets concerned upon completion of the term of the arrangement. During the year the group entered into hire purchase arrangements for assets with a cost of £236,544 (2015 - £nil).

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

23 Provisions for liabilities

		Group 2016 £	2015 £	Company 2016 £	2015 £
Additional potential liability under loan agreement		263,115	263,115	-	-
Deferred tax liabilities	24	1,483,536	1,883,171	-	-
		<u>1,746,651</u>	<u>2,146,286</u>	<u>-</u>	<u>-</u>

Movements on provisions:

Group	£
At 1 April 2015 and 26 March 2016	<u>263,115</u>

This provision represents management's best estimate of a liability which is payable on the redemption of a loan.

24 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £	Assets 2016 £	Assets 2015 £
Group				
Accelerated capital allowances	89,010	576,486	137,662	-
Tax losses	-	(243,537)	430,509	-
Revaluations	1,394,536	1,550,222	-	-
Other short term timing differences	(10)	-	-	-
	<u>1,483,536</u>	<u>1,883,171</u>	<u>568,171</u>	<u>-</u>
	Liabilities 2016 £	Liabilities 2015 £	Assets 2016 £	Assets 2015 £
Company				
Accelerated capital allowances	-	-	137,662	-
Tax losses	-	-	402,937	-
	<u>-</u>	<u>-</u>	<u>540,599</u>	<u>-</u>

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

24 Deferred taxation (Continued)

	Group 2016 £	Company 2016 £
Movements in the year:		
Liability at 1 April 2015	1,883,171	-
Credit to profit and loss	(481,831)	(563,117)
Effect of change in tax rate - profit or loss	21,735	22,518
Effect of change in tax rate - other comprehensive income	(155,023)	-
Other	(325,115)	-
Liability/(Asset) at 26 March 2016	942,937	(540,599)

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

The deferred tax liability relating to revaluations set out above relates to the latent tax charge on the gains on revaluation of freehold property and will reverse when properties are sold. At the reporting date, the directors had no plans to sell material properties held at valuation.

Other deferred tax liabilities set out above is expected to reverse within 36 months and relate to accelerated capital allowances, tax losses and other short term timing differences that are expected to mature within the same period.

Interpub Limited has tax losses available to carry forward against future trading profits of £497,999 (2015 - £1,619,376). The related deferred tax asset has now been recognised on the basis that Interpub Limited has net deferred tax liabilities and the asset is now expected to be utilised. In 2015 the related deferred tax asset of £340,069 calculated at 21% had not been recognised on the basis that the asset was not expected to be utilised in the foreseeable future.

25 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	22,347	27,030

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

26 Share capital

	Group and company	
	2016	2015
	£	£
Ordinary share capital		
Called up, issued and fully paid		
402,711 Ordinary shares of £1 each	402,711	402,711

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

The company's preference 5% shares carry the right to a fixed dividend of 5% of the par value per annum. These shares do not carry any rights in respect of voting or capital. The preference shares have been classified as liabilities on the basis that they have a fixed income.

27 Share premium account

The share premium reserve represents consideration received for shares issued above their nominal value net of transaction costs.

28 Revaluation reserve

The revaluation reserve represents the cumulative revaluation gains and losses in respect of land and buildings, except revaluation gains and losses recognised in profit or loss.

29 Profit and loss reserves

The profit and loss account represents cumulative profit and loss net of distributions to owners.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

30 Acquisition of a business

On 12 June 2015 the group acquired 10% of the issued capital of Literas y Bares SL for consideration of £37,038. This took the group's total holding in Literas y Bares SL to 50%.

	Book Value £	Fair Value £
Property, plant and equipment	16,368,935	16,368,935
Inventories	7,392	7,392
Trade and other receivables	76,855	76,855
Trade and other payables	(1,929,493)	(1,929,493)
Borrowings	(16,034,899)	(16,034,899)
Tax liabilities	(67,080)	(67,080)
Cash and cash equivalents	689,987	689,987
Deferred taxation	25,053	25,053
Non-controlling interest (50% of above)	431,626	431,626
		(431,624)
Goodwill		116,594
Total consideration		(315,030)
The consideration was satisfied by:		£
Cash		37,038
Deemed disposal of investment in joint venture		(352,068)
		(315,030)
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:		£
Turnover		2,261,706
Loss after tax		(889,784)

The Group increased the investment in Literas y Bares SL, a company incorporated in Spain, to 50%. As a result, the directors consider that they have control over the entity and have included the results of the entity in the consolidated accounts, using the acquisition method of accounting, from the date control was acquired.

31 Financial commitments, guarantees and contingent liabilities

The company and group have various commitments under the security arrangements for borrowings. See note 21 for details of the arrangements. The directors do not consider it likely that any liability will arise as a result of these arrangements.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

32 Operating lease commitments

Lessee

During the year, some of the groups tangible fixed assets were sold and leased back, the future commitment to the operating lease for these assets is included below.

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Within one year	5,457,391	2,522,259	-	-
Between two and five years	21,459,563	9,904,034	-	-
In over five years	29,161,948	23,319,121	-	-
	<u>56,078,902</u>	<u>35,745,414</u>	<u>-</u>	<u>-</u>

33 Capital commitments

At 26 March 2016 the group had capital commitments as follows:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Contracted for but not provided in the financial statements:				
Acquisition of property, plant and equipment	-	58,600	-	-
	<u>-</u>	<u>58,600</u>	<u>-</u>	<u>-</u>

34 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016 £	2015 £
Aggregate compensation	<u>1,424,479</u>	<u>1,177,391</u>

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

34 Related party transactions (Continued)

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	2016 £	2015 £
Group		
Key management personnel	42,000	42,000

The above information relates to rent payable to related parties.

Company

Entities over which the entity has control, joint control or significant influence	2,763,242	2,531,519
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The above disclosure relates to income receivable by Beds & Bars Limited from other group undertakings in respect of management charges.

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2016 £	2015 £
Company		
Entities over which the company has control, joint control or significant influence	9,796,511	15,074,595

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2016 Balance £	2015 Balance £
Company		
Entities over which the company has control, joint control or significant influence	6,157,259	11,180,960

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.

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group provided that any subsidiary undertaking which is party to the transactions is wholly owned by a member of that group.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

35 Cash generated from group operations

	2016 £	2015 £
Profit/(loss) for the year after tax	700,813	(3,112,270)
Adjustments for:		
Share of results of associates and joint ventures	(187,104)	259,693
Taxation (credited)/charged	(452,423)	270,127
Finance costs	820,691	938,407
Investment income	(98,952)	(10,434)
Loss on disposal of tangible fixed assets	6,215,977	1,864,882
Amortisation and impairment of intangible assets	122,358	266,570
Depreciation and impairment of tangible fixed assets	2,023,818	2,284,880
Foreign exchange gains	1,430,037	-
Other gains and losses	(5,238,544)	-
Movements in working capital:		
(Increase)/decrease in stocks	(30,287)	25,899
(Increase) in debtors	(389,499)	(1,881,211)
(Decrease)/increase in creditors	(1,536,731)	1,757,165
Cash generated from operations	3,380,154	2,663,708

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

36 Reconciliations on adoption of FRS 102

Reconciliation of equity - group

	Effect of transition notes	At 1 April 2014			FRS 102 £	At 31 March 2015			FRS 102 £
		Previous UK GAAP £	Prior year adjustment £	Effect of transition £		Previous UK GAAP £	Prior year adjustment £	Effect of transition £	
Fixed assets									
Goodwill		1,240,285	2,360,143	-	3,600,428	914,767	2,025,286	-	2,940,053
Tangible assets		41,661,363	579,696	-	42,241,059	28,805,568	535,935	-	29,341,503
Investments		317,524	(552,117)	-	(234,593)	102,254	(552,117)	-	(449,863)
		<u>43,219,172</u>	<u>2,387,722</u>	<u>-</u>	<u>45,606,894</u>	<u>29,822,589</u>	<u>2,009,104</u>	<u>-</u>	<u>31,831,693</u>
Current assets									
Stocks		283,355	24,240	-	307,595	257,265	21,376	-	278,641
Debtors due after one year		347,940	174,290	-	522,230	755,885	(208,625)	-	547,260
Debtors due within one year		2,944,658	32,270	-	2,976,928	3,637,874	(17,558)	-	3,620,316
Bank and cash		2,077,585	283,663	-	2,361,248	3,649,761	273,747	-	3,923,508
		<u>5,653,538</u>	<u>514,463</u>	<u>-</u>	<u>6,168,001</u>	<u>8,300,785</u>	<u>68,940</u>	<u>-</u>	<u>8,369,725</u>

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

36 Reconciliations on adoption of FRS 102 (Continued)

Reconciliation of equity - group

	Effect of transition notes	At 1 April 2014		Effect of transition	FRS 102	At 31 March 2015		Effect of transition	FRS 102
		Previous UK GAAP	Prior year adjustment			Previous UK GAAP	Prior year adjustment		
		£	£	£	£	£	£	£	£
Creditors due within one year									
Borrowings		(3,348,490)	(1,563,434)	-	(4,911,924)	(544,873)	(1,161,402)	-	(1,706,275)
Finance leases		(38,316)	-	-	(38,316)	(31,309)	-	-	(31,309)
Taxation		(944,236)	(132,800)	-	(1,077,036)	(975,965)	(105,779)	-	(1,081,744)
Other creditors		(4,765,307)	189,448	-	(4,575,859)	(6,079,640)	(663,068)	-	(6,742,708)
		(9,096,349)	(1,506,786)	-	(10,603,135)	(7,631,787)	(1,930,249)	-	(9,562,036)
Net current liabilities		(3,442,811)	(992,323)	-	(4,435,134)	668,998	(1,861,309)	-	(1,192,311)
Total assets less current liabilities		39,776,361	1,395,399	-	41,171,760	30,491,587	147,795	-	30,639,382
Creditors due after one year									
Borrowings		(15,688,023)	(2,744,715)	-	(18,432,738)	(14,084,991)	(2,035,535)	-	(16,120,526)
Finance leases		(30,391)	-	-	(30,391)	(667,995)	-	-	(667,995)
Other creditors		(11,299,890)	(441,359)	-	(11,741,249)	(1,695,163)	(333,936)	-	(2,029,099)
		(27,018,304)	(3,186,074)	-	(30,204,378)	(16,448,149)	(2,369,471)	-	(18,817,620)

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

36 Reconciliations on adoption of FRS 102 (Continued)

Reconciliation of equity - group

	Effect of transition notes	At 1 April 2014				At 31 March 2015			
		Previous UK GAAP	Prior year adjustment	Effect of transition	FRS 102	Previous UK GAAP	Prior year adjustment	Effect of transition	FRS 102
		£	£	£	£	£	£	£	£
Provisions for liabilities									
Deferred tax	B	(159,271)	-	(1,942,201)	(2,101,472)	(332,949)	-	(1,550,222)	(1,883,171)
Other provisions		-	(263,115)	-	(263,115)	-	(263,115)	-	(263,115)
		<u>(159,271)</u>	<u>(263,115)</u>	<u>(1,942,201)</u>	<u>(2,364,587)</u>	<u>(332,949)</u>	<u>(263,115)</u>	<u>(1,550,222)</u>	<u>(2,146,286)</u>
Net assets		<u>12,598,786</u>	<u>(2,053,790)</u>	<u>(1,942,201)</u>	<u>8,602,795</u>	<u>13,710,489</u>	<u>(2,484,791)</u>	<u>(1,550,222)</u>	<u>9,675,476</u>
Capital and reserves									
Share capital		402,711	-	-	402,711	402,711	-	-	402,711
Share premium		1,967,783	-	-	1,967,783	1,967,783	-	-	1,967,783
Revaluation reserve	B	9,711,006	-	(1,942,201)	7,768,805	7,751,108	-	(1,550,222)	6,200,886
Profit and loss		124,549	(668,927)	-	(544,378)	3,235,281	(741,710)	-	2,493,571
Non controlling interest		392,737	(1,384,863)	-	(992,126)	353,606	(1,743,081)	-	(1,389,475)
Total equity		<u>12,598,786</u>	<u>(2,053,790)</u>	<u>(1,942,201)</u>	<u>8,602,795</u>	<u>13,710,489</u>	<u>(2,484,791)</u>	<u>(1,550,222)</u>	<u>9,675,476</u>

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

Reconciliation of profit or loss for the year - group

	Effect of transistion notes	Previous UK GAAP £	Year ended 31 March 2015 Prior year adjustment £	Effect of transition £	FRS 102 £
Turnover		35,834,417	3,886,681	-	39,721,098
Cost of sales		(6,821,761)	(358,365)	-	(7,180,126)
Gross profit		29,012,656	3,528,316	-	32,540,972
Administrative expenses	A	(25,563,341)	(3,695,068)	(4,937,040)	(34,195,449)
Exceptional items	A	(2,447,572)	-	2,447,572	-
Operating loss		1,001,743	(166,752)	(2,489,468)	(1,654,477)
Share of operating loss of joint ventures		(259,693)	-	-	(259,693)
Loss on sale of tangible fixed assets	A	(1,809,767)	-	1,809,767	-
Restructuring costs	A	(679,701)	-	679,701	-
Loss on ordinary activities before investment income and interest		(1,747,418)	(166,752)	-	(1,914,170)
Interest receivable and similar income		10,058	376	-	10,434
Interest payable and similar charges		(850,407)	(88,000)	-	(938,407)
Loss before taxation		(2,587,767)	(254,376)	-	(2,842,143)
Taxation		(270,127)	-	-	(270,127)
Loss for the financial period		(2,857,894)	(254,376)	-	(3,112,270)

Notes to reconciliations on adoption of FRS 102 - group

36A Reclassification of exceptional expenditure

Under previous UK GAAP and in the year ended 31 March 2015, costs of £679,701 relating to restructuring expenses, £1,739,361 relating to depreciation and amortisation, £708,211 relating to impairment of tangible assets, and £1,809,767 in respect of losses on sales of tangible fixed assets were classified as exceptional expenditure. The directors are of the opinion that these costs do not meet the criteria for classification as exceptional expenditure under FRS 102 and these have consequently been reclassified as administrative expenditure. There is no impact on profit for the year or equity as a result of this adjustment.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 MARCH 2016

36 Reconciliations on adoption of FRS 102 (Continued)

36B Measurement of deferred taxation on revalued property

Under previous UK GAAP there was no requirement to measure deferred taxation on the gains and losses relating to revalued property unless there was a binding agreement to sell the property at the reporting date. Under new UK GAAP, deferred taxation must be measured in respect of revalued property regardless of the management intentions to sell the property.

As a result, at 1 April 2014 a provision of deferred taxation of £1,942,201, being 20% of the accumulated revaluation surplus at that date, was recognised with the debit taken through the revaluation reserve. During the year ended 31 March 2015, the deferred taxation movement of £391,979 was posted as a credit to the OCI and a reduction to the deferred taxation provision. At 31 March 2015, this left a provision for deferred taxation of £1,550,222, being 20% of the accumulated revaluation surplus at that date.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

36 Reconciliations on adoption of FRS 102 (Continued)

Reconciliation of equity - company

	Notes	At 1 April 2014			At 31 March 2015		
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets							
Other intangibles	C	750,000	-	750,000	750,000	(37,500)	712,500
Tangible assets		18,311	-	18,311	25,381	-	25,381
Investments		4,135,269	-	4,135,269	3,767,463	-	3,767,463
		<u>4,903,580</u>	<u>-</u>	<u>4,903,580</u>	<u>4,542,844</u>	<u>(37,500)</u>	<u>4,505,344</u>
Current assets							
Debtors due after one year		325,954	-	325,954	11,200,334	-	11,200,334
Debtors due within one year		18,690,292	-	18,690,292	6,225	-	6,225
Bank and cash		1,045,535	-	1,045,535	1,551,516	-	1,551,516
		<u>20,061,781</u>	<u>-</u>	<u>20,061,781</u>	<u>12,758,075</u>	<u>-</u>	<u>12,758,075</u>
Creditors due within one year							
Borrowings		(1,959,163)	-	(1,959,163)	-	-	-
Taxation		-	-	-	141	-	141
Other creditors		(1,135,244)	-	(12,435,134)	(2,076,360)	-	(17,150,955)
		<u>(3,094,407)</u>	<u>-</u>	<u>(14,394,297)</u>	<u>(2,076,219)</u>	<u>-</u>	<u>(17,150,814)</u>
Net current assets/(liabilities)		<u>16,967,374</u>	<u>-</u>	<u>5,667,484</u>	<u>10,681,856</u>	<u>-</u>	<u>(4,392,739)</u>
Total assets less current liabilities		<u>21,870,954</u>	<u>-</u>	<u>10,571,064</u>	<u>15,224,700</u>	<u>(37,500)</u>	<u>112,605</u>

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

36 Reconciliations on adoption of FRS 102 (Continued)

Reconciliation of equity - company

Notes	At 1 April 2014			At 31 March 2015		
	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Creditors due after one year						
Borrowings	(10,610,729)	-	(10,610,729)	(502,500)	-	(502,500)
Other creditors	(11,299,890)	-	-	(15,074,595)	-	-
	(21,910,619)	-	(10,610,729)	(15,577,095)	-	(502,500)
Net assets	(39,665)	-	(39,665)	(352,395)	(37,500)	(389,895)
Capital and reserves						
Share capital	402,711	-	402,711	402,711	-	402,711
Share premium	1,967,783	-	1,967,783	1,967,783	-	1,967,783
Profit and loss	(2,410,159)	-	(2,410,159)	(2,722,889)	(37,500)	(2,760,389)
Total equity	(39,665)	-	(39,665)	(352,395)	(37,500)	(389,895)

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

Reconciliation of profit or loss for the year - company

	Notes	Year ended 31 March 2015		FRS 102 £
		Previous UK GAAP £	Effect of transition £	
Turnover		377,960	-	377,960
Cost of sales		(482)	-	(482)
Gross profit		377,478	-	377,478
Administrative expenses	C, D, E	(1,166,695)	(464,885)	(1,631,580)
Other operating income		945,116	-	945,116
Exceptional items	E	(679,701)	679,701	-
Operating loss		(523,802)	214,816	(308,986)
Income from shares in group undertakings		73,540	-	73,540
Interest receivable and similar income		223,102	-	223,102
Interest payable and similar charges		(337,886)	-	(337,886)
Loss before taxation		(565,046)	214,816	(350,230)
Taxation		-	-	-
Loss for the financial period		(565,046)	214,816	(350,230)

Notes to reconciliations on adoption of FRS 102 - company

36C Amortisation of intangible assets

The directors believe that the intellectual property held on the balance sheet has an indefinite useful life, and under previous UK GAAP, in accordance with FRS 10 paragraph 17, no amortisation has ever been charged on the balance.

Under FRS 102, paragraph 18.19 specifically states that all intangible assets are considered to have a finite useful life. The directors believe that the previously adopted accounting policy was appropriate, however, having regard to the underlying asset and the brand being a hotel, where they feel that the brand has a long UEL, they are going to amortise over 20 years from the date of transition. Therefore, an amount of £37,500 has been charged in the year ended 31 March 2015, reducing the value of intangible fixed assets and increasing the administrative expenses.

36D Reclassification of foreign exchange

Under SSAP 20 the company had taken the foreign exchange in its net investment in a foreign entity straight through reserves. Following the consideration above, relating to the group balances held within creditors, the balances do not meet the relevant criteria under FRS 102 Section 30 'Foreign Currency Translation' in order to adopt the same treatment. Consequently, a credit balance of £252,316 has been taken through administrative expenses in the year ended 31 March 2015.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 MARCH 2016

36 Reconciliations on adoption of FRS 102 (Continued)

36E Reclassification of restructuring costs

Under previous UK GAAP, costs of £679,701 for the year ended 31 March 2015 relating to restructuring expenses, were classified as exceptional expenditure. The directors are of the opinion that these costs do not meet the criteria for classification as exceptional expenditure under FRS 102 and these have consequently been reclassified as administrative expenditure. There is no impact on profit for the year or equity as a result of this adjustment.

37 Prior period adjustments

On 23 August 2012 the Group entered into an interest only loan agreement for £800,000 with full repayment expected on 28 March 2017, the maturity date. The loan terms allow that at any time from the third anniversary of the agreement, the lender may give the group 6 months' notice and call in the full balance. As a result, the earliest date on which the company may be required to pay the loan in full is 23 March 2016.

Previously the loan was disclosed as being due in more than one year on the basis that the maturity date of 28 March 2017 was more than 12 months from the balance sheet date and the loan was not expected to be called in early. Since the group did not have the unconditional right to defer payment for at least 12 months from the reporting date, this loan has been reclassified as due in less than one year. The directors continue to believe that the loan will be fully paid on the maturity date and that early payment will not be required, there is no equity impact as a result of this adjustment.

The directors have identified that the loan balance of £800,000 denominated in Sterling and held in St Christopher's (Amsterdam) BV whose functional currency is the Euro had not been translated at each reporting date. As a result, the cumulative foreign exchange difference of £6,715 at 1 April 2014 has been charged to retained reserves and an additional charge of £90,820 representing the foreign exchange movement in the year ended 31 March 2015 has been taken through administrative expenses.

In addition, under this loan agreement the group is liable to pay a redemption fee. This provision represents management's best estimate of the liability, which is payable on the redemption date of the loan. The historic potential liability has been recognised at the management estimate of £263,115, increasing provisions and decreasing retained profit.

The directors have also identified that a lease incentive for a rent free period of three months has not been accounted for. As a result, at 1 April 2014 retained reserves were overstated by £500,868, accruals due in less than one year were understated by £59,509, and accruals due in more than one year were understated by £441,359. At 31 March 2015 the total changes were a charge to retained reserves of £385,978, an increase of £52,042 to accruals due in less than one year, an increase of £333,936 to accruals due in more than one year, and a decrease of £56,479 to rental expenses relating to operating lease agreements contained within administrative expenses on the Statement of Comprehensive Income.

In previous years the investment in Flying Pig UK Limited was treated as an associate, however, the directors have now determined Flying Pig UK Limited is a company under common control and is managed on a unified basis with that of Beds & Bars Limited and its subsidiaries. Consequently, adjustments on the summary below relate to the consolidation of Flying Pig UK Limited and its three wholly owned subsidiary undertakings on a historic basis.

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

37 Prior period adjustments (Continued)

Changes to the statement of financial position - group

Balances as restated before FRS 102
transition adjustments:

	Adjustment at 1 Apr 2014 £	Adjustment at 31 Mar 2015 £
Fixed assets		
Goodwill	2,360,143	2,025,286
Tangible assets	579,696	535,935
Investments	(552,117)	(552,117)
	<u>2,387,722</u>	<u>2,009,104</u>
Current assets		
Stocks	24,240	21,376
Debtors due after one year	174,290	(208,625)
Debtors due within one year	32,270	(17,558)
Bank and cash	283,663	273,747
	<u>514,463</u>	<u>68,940</u>
Creditors due within one year		
Borrowings	(1,563,434)	(1,161,402)
Taxation	(132,800)	(105,779)
Other creditors	248,957	(611,026)
	<u>(1,447,277)</u>	<u>1,878,207</u>
Net current assets/(liabilities)	<u>(932,814)</u>	<u>(1,809,267)</u>
Total assets less current liabilities	<u>1,454,908</u>	<u>199,837</u>
Creditors due after one year		
Borrowings	(2,738,000)	(1,938,000)
	<u>(2,738,000)</u>	<u>1,938,000</u>
Net assets	<u>1,283,092</u>	<u>(1,738,163)</u>
Capital and reserves		
Profit and loss	(101,771)	4,910
Minority interest	1,384,863	(1,743,081)
Total equity	<u>1,283,092</u>	<u>(1,738,163)</u>

BEDS & BARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 MARCH 2016

37 Prior period adjustments (Continued)

Changes to the income statement - group

Balances as restated before FRS 102 transition adjustments:

Adjustment for
the year ended
31 March 2015
£

Turnover	3,886,681
Cost of sales	(358,365)
Gross profit	3,528,316
Administrative expenses	(3,660,727)
Operating loss	(132,411)
Interest receivable and similar income	376
Interest payable and similar charges	(88,000)
Profit before taxation	(220,035)
Taxation	-
Profit after taxation	(220,035)

Changes to the statement of financial position and income statement - company

Beds & Bars Limited maintains various intercompany balances with members of the group in order to maintain appropriate levels of liquidity in its subsidiaries as required. Under previous UK GAAP the intercompany balances were disclosed as being due in more than one year as the company had received assurances that the balances would not be called within 12 months. However, this assurance does not constitute an unconditional right to defer payment for more than 12 months from the reporting date. Consequently, amounts of £11,299,890 at 1 April 2014 and £15,074,595 at 31 March 2015 have been reclassified from long term creditors to short term creditors. There is no equity impact to this adjustment.