

**Company Registration No. 05500765 (England and Wales)**

**BEDS & BARS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**1 APRIL 2017**

WEDNESDAY



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COMPANIES HOUSE

# **BEDS & BARS LIMITED**

## **COMPANY INFORMATION**

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

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# **BEDS & BARS LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 1 APRIL 2017**

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The directors present the strategic report for the year ended 1 April 2017.

#### **Fair review of the business and future developments**

The directors are pleased to report that once again the Beds & Bars Group has enjoyed a strong performance for the year under review. This has been achieved against the backdrop of further terrorist atrocities in the markets we operate in, increased costs pressures arising from government imposed regulation and political uncertainties such as the Brexit vote in the UK. In mitigation, the subsequent strengthening in the Euro post the Brexit vote has offset some of the above effects. We have once more proved the resilience of our business model by absorbing these impacts and continuing to grow the business.

We wish to recognise the efforts of our fellow colleagues and team members who have proved time and time again their ability to rise to these challenges and continue to provide the service to our clients for which we are renowned.

In particular, after 20 years with the group Tim Sykes has taken the decision to retire. As part of the transition process Tim has resigned his directorships in the group and will formally retire as chairman at the end of March 2018. The Board would like to express their thanks to Tim who has been a key part of the development of the group: his experience, knowledge and counsel will be missed and we wish him well in his retirement.

The Group's trading improved significantly during the year under review with the coming to fruition of investment projects in our existing estate, a marked increase in accommodation sales plus strong growth in food and beverage turnover.

We have seen a strengthening in the Euro during the year with the exchange rate moving to 1.1913 versus 1.3656 in the prior year. Adjusting for these impacts Group Turnover increased by 5% year on year, rising to £47.7million in FY17 from £45.3million in FY16 at constant exchange rates (reported turnover, £41.9 million). Gross margins remained at over 80%. Group EBITDA (earnings before interest, tax, depreciation and amortisation) before exceptional items was up by 9% to £4.47million from £4.1 million at constant exchange rates (reported EBITDA £3.9million).

Following a strategic review of business assets the Group sold its operating unit in Covent Garden for £1.75million in February 2017 reporting profit of £1.5 million on this transaction. This made funds available to invest in the refurbishment and extension of "The Village" in Borough High Street, London. This project will double the bed stock at the site and transform the bar experience. The total costs of this work are forecast to be £6.5million and is expected to generate an additional £2.2million of revenue and £1.2million of EBITDA in the financial year 2018/19. In the year under review we invested a further £1million in our Flying Horse Freehold site where we have added 34 beds for the first time and refurbished the bar. This project is expected to increase the EBITDA by £145k in FY18. It continues to enjoy great reviews and feedback and trading has exceeded our expectations. We also have two projects of refurbishment including Bath and Greenwich planned in 2017. These two potential refurbishment project are expected to cost £420k which will be funded by the operating cash flow.

As part of the Barcelona Joint Venture property sale and lease back arrangement, the bank loan was written off which resulted in the accounting gain of £1.9million in FY17. This deal was structured and agreed in the financial year to 31 March 2016 however writing the loan off was the final stage of the arrangement.

Other comprehensive income includes a fair value gain of £2.1million on the revaluation of The Flying Horse, London during the year.

We have maintained our investment in our technology by introducing languages for the booking engine. We released Flying Pigs, Book Groups, Belushi's, Hostels.fr websites and added a new content hub to our London Hostels page.

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. To this end, since the year end we have partnered with a new Paris based property fund to identify and acquire properties for development. Once completed, we would then enter into a long term lease with the fund and operate our business under our renowned brands.

# **BEDS & BARS LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 1 APRIL 2017**

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#### **Business risk**

The Beds & Bars Group has operated in the hospitality industry for 55 years. The long term strategy of diversifying our operations to major European capitals has been vindicated.

The Group has been able to withstand both economic influences and terrorist atrocities given the geographical spread of our units and the focus on our widening client base who look for a shared experience at a competitive price point. Beds and 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 experience, along with total commitment to developing our team at all levels which is demonstrated by the Group achieving Investors in People Platinum status in 2016, one of only 7 companies in the UK to do so.

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. In 2016 the Group launched a major initiative to combat the incursion of OTA's which has seen a 10% swing in booking source in favour of our direct channel.

The Group regularly reviews pricing and competitive offers in its target markets through its sophisticated Yield Management system and maximises the use of its own platforms with special offers and promotions aimed at strengthening Brand recognition and Loyalty.

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 see the potential of the Hostel sector. The Group is focussed on 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.

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

Beds and Bars commitment to the development of its technology platforms and on-line capabilities reduces its reliance 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 as a compliment to its in house teams. The systems are regularly reviewed and appropriate back-up arrangements are maintained.

Beds and 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 travelers 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.

## BEDS & BARS LIMITED

### STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 1 APRIL 2017

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#### Financial risk

Beds and 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 company. The Group regularly reviews both its interest hedging and currency risk. Our relationship with HSBC as our sole UK banker remains excellent and our bankers are regularly updated with our plans.

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 small number of cases where credit is offered to approved agents

#### Health and safety

Health and Safety is at the core of our business. The Health and Safety Strategy (H&S Strategy) supports the strategic and operational management of the Group and looks to go beyond the traditional role of preventing harm. The H&S Strategy commits the Group to continually improve the health and safety environment for its staff and customers. The H&S Strategy is not just about achieving compliance, but will assist in realising:

- Efficient, proactive and pragmatic ways of keeping all our staff, customers, sub-contractors and visitors safe.
- A robust health and safety culture across the Group
- Effective means of protecting stakeholders, including staff, customers and visitors from harm The H&S Strategy describes in broad terms what our approach to health and safety is and what we intend to do which is closely monitored and tested unit by unit and updated on a regular basis.

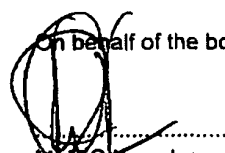
#### Data protection

The Group holds databases of customer and supplier details. The Directors believe that they have robust data protection procedures in place. However this is an ever more complex area and the Group continually reviews and upgrades its defences against attack. In addition to its in-house team the Directors engage external consultants to ensure that the Group is fully compliant with relevant legislation.

#### Key performance indicators

The board use a number of indicators to track the performance of the company (KPIs). These include, amongst others: turnover, no of beds sold per division (1.087 million in current year versus 1.048 million in previous year), gross margins, revenues by booking channel, EBITDA performance at Group and site level 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

  
M. R. C. Knowles  
Director  
18.1.12/1.7.

# **BEDS & BARS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 1 APRIL 2017**

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The directors present their annual report and financial statements for the year ended 1 April 2017.

### **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   | (Resigned 12 September 2017) |
| 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 £44,191 were paid to non-controlling interests in Paris as per shareholders agreement. 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**

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

### **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, 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**

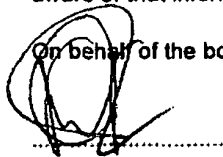
### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 1 APRIL 2017**

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#### **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 K C Knowles  
Director  
18.1.12.1.7....

## **BEDS & BARS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 1 APRIL 2017**

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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

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### Opinion on financial statements

We have audited the group and parent company financial statements (the "financial statements") on pages 8 to 45. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 1 April 2017 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.

### 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 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 and, based on the work undertaken in the course of our audit, the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

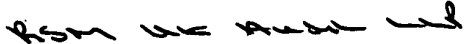
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.

### 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.

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.

  
Paul Newman BSc ACA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB  
United Kingdom  
19/12/2017

# BEDS & BARS LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 1 APRIL 2017

|  |           | 2017              | 2016              |
|--|-----------|-------------------|-------------------|
|  | Notes     | £                 | as restated<br>£  |
| Turnover   | 4         | 47,775,279        | 41,897,880        |
| Cost of sales  |           | (9,077,903)       | (8,139,700)       |
| <b>Gross profit</b>                                  |           | <b>38,697,376</b> | <b>33,758,180</b> |
| Administrative expenses                              |           | (33,043,262)      | (32,975,155)      |
| <b>EBITDA* before exceptional items</b>              |           | <b>4,468,718</b>  | <b>3,906,634</b>  |
| Depreciation of tangible fixed assets                | 14        | (2,072,709)       | (2,023,818)       |
| Amortisation and impairment of goodwill              | 13        | (151,894)         | (137,926)         |
| Amortisation of negative goodwill                    | 13        | 15,568            | 15,568            |
| Profit / (Loss) on disposal of tangible fixed assets |           | 1,537,636         | (6,215,977)       |
| Gains from refinancing                               |           | 1,856,795         | 5,238,544         |
| <b>Operating profit</b>                              | <b>5</b>  | <b>5,654,114</b>  | <b>783,025</b>    |
| Share of results of associates and joint ventures    |           | -                 | 187,104           |
| Interest receivable and similar income               | 10        | 745               | 98,952            |
| Interest payable and similar expenses                | 11        | (1,189,741)       | (820,691)         |
| <b>Profit on ordinary activities before taxation</b> |           | <b>4,465,118</b>  | <b>248,390</b>    |
| Taxation   | 12        | (725,829)         | 452,423           |
| <b>Profit for the financial year</b>                 | <b>29</b> | <b>3,739,289</b>  | <b>700,813</b>    |
| <b>Other comprehensive income</b>                    |           |                   |                   |
| Revaluation of tangible fixed assets                 |           | 2,096,000         | -                 |
| Currency translation differences                     |           | (294,926)         | (152,679)         |
| Tax relating to other comprehensive income           |           | (242,810)         | 155,023           |
| <b>Total comprehensive income for the year</b>       |           | <b>5,297,553</b>  | <b>703,157</b>    |

\*Earnings before interest, tax, depreciation and amortisation

# **BEDS & BARS LIMITED**

## **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) FOR THE YEAR ENDED 1 APRIL 2017**

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|   | <b>2017</b>      | <b>2016</b>        |
|---|------------------|--------------------|
|   |                  | <b>as restated</b> |
| <b>Notes</b>  | <b>£</b>         | <b>£</b>           |
| Profit for the financial year is attributable to:           |                  |                    |
| - Owners of the parent company                              | 2,576,809        | 1,257,898          |
| - Non-controlling interests                                 | 1,162,480        | (557,085)          |
|   | <u>3,739,289</u> | <u>700,813</u>     |
| Total comprehensive income for the year is attributable to: |                  |                    |
| - Owners of the parent company                              | 4,047,473        | 1,105,220          |
| - Non-controlling interests                                 | 1,250,080        | (402,063)          |
|   | <u>5,297,553</u> | <u>703,157</u>     |

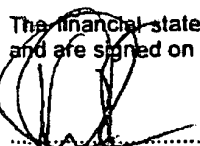
**BEDS & BARS LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 1 APRIL 2017**

|  |              | <b>2017</b>  |              | <b>2016</b>              |
|--|--------------|--------------|--------------|--------------------------|
|  | <b>Notes</b> | <b>£</b>     | <b>£</b>     | <b>as restated<br/>£</b> |
| <b>Fixed assets</b>  |              |              |              |                          |
| Goodwill   | <b>13</b>    | 3,490,074    |              | 3,447,360                |
| Negative goodwill  | <b>13</b>    | (295,786)    |              | (311,354)                |
|  |              |              |              |                          |
| Net goodwill   |              | 3,194,288    |              | 3,136,006                |
| Tangible assets  | <b>14</b>    | 34,078,300   |              | 29,919,792               |
| Investments  | <b>15</b>    | 91,501       |              | 91,501                   |
|  |              |              |              |                          |
|  |              | 37,364,089   |              | 33,147,299               |
| <b>Current assets</b>  |              |              |              |                          |
| Stocks   | <b>17</b>    | 294,853      | 327,033      |                          |
|  |              |              |              |                          |
| Debtors falling due within one year                            | <b>18</b>    | 3,056,570    | 2,908,683    |                          |
| Debtors falling due after one year                             | <b>18</b>    | 1,203,532    | 720,605      |                          |
|  |              |              |              |                          |
| Debtors  |              | 4,260,102    | 3,629,288    |                          |
| Cash at bank and in hand                                       |              | 4,069,858    | 4,379,868    |                          |
|  |              |              |              |                          |
|  |              | 8,624,813    | 8,336,189    |                          |
| <b>Creditors: amounts falling due within one year</b>          | <b>19</b>    | (13,116,331) | (13,889,957) |                          |
|  |              |              |              |                          |
| Net current liabilities  |              | (4,491,518)  |              | (5,553,768)              |
|  |              |              |              |                          |
| <b>Total assets less current liabilities</b>                   |              | 32,872,571   |              | 27,593,531               |
|  |              |              |              |                          |
| <b>Creditors: amounts falling due after more than one year</b> | <b>20</b>    | (15,368,315) |              | (15,934,027)             |
|  |              |              |              |                          |
| <b>Provisions for liabilities</b>                              | <b>23</b>    | (2,453,426)  |              | (1,746,651)              |
|  |              |              |              |                          |
| <b>Net assets</b>  |              | 15,050,830   |              | 9,912,853                |

**BEDS & BARS LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)****AS AT 1 APRIL 2017**

|  |    | 2017        | 2016        |
|--|----|-------------|-------------|
|  |    |             | as restated |
| Notes  | £  | £           | £           |
| <b>Capital and reserves</b>                                |    |             |             |
| Called up share capital                                    | 26 | 339,843     | 402,711     |
| Share premium account                                      | 27 | 1,653,899   | 1,967,783   |
| Revaluation reserve  | 28 | 8,209,099   | 6,355,909   |
| Profit and loss reserves                                   | 29 | 6,014,803   | 3,443,768   |
|  |    |             |             |
| <b>Equity attributable to owners of the parent company</b> |    | 16,217,644  | 12,170,171  |
| <b>Non-controlling interests</b>                           |    | (1,166,814) | (2,257,318) |
|  |    |             |             |
|  |    | 15,050,830  | 9,912,853   |

The financial statements were approved by the board of directors and authorised for issue on 18.12.17.  
and are signed on its behalf by:



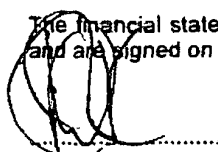
Mr K C Knowles  
Director

**BEDS & BARS LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 1 APRIL 2017**

|  | Notes | £            | 2017<br>£          | £                | 2016<br>£          |
|--|-------|--------------|--------------------|------------------|--------------------|
| <b>Fixed assets</b>  |       |              |                    |                  |                    |
| Intangible assets  | 13    |              | 637,500            |                  | 675,000            |
| Tangible assets  | 14    |              | 56,486             |                  | 76,566             |
| Investments  | 15    |              | 2,342,684          |                  | 2,208,899          |
|  |       |              | <u>3,036,670</u>   |                  | <u>2,960,465</u>   |
| <b>Current assets</b>  |       |              |                    |                  |                    |
| Debtors falling due after one year                             | 18    | 24,882,981   |                    | 6,194,431        |                    |
| Debtors falling due within one year                            | 18    | 560,843      |                    | 603,351          |                    |
| Cash at bank and in hand                                       |       | 198,448      |                    | 2,213,000        |                    |
|  |       |              | <u>25,642,272</u>  | <u>9,010,782</u> |                    |
| <b>Creditors: amounts falling due within one year</b>          | 19    | (28,664,318) |                    | (10,180,538)     |                    |
| <b>Net current liabilities</b>                                 |       |              | <u>(3,022,046)</u> |                  | <u>(1,169,756)</u> |
| <b>Total assets less current liabilities</b>                   |       |              | <u>14,624</u>      |                  | <u>1,790,709</u>   |
| <b>Creditors: amounts falling due after more than one year</b> | 20    |              | (71,731)           |                  | (502,500)          |
| <b>Net (liabilities)/assets</b>                                |       |              | <u>(57,107)</u>    |                  | <u>1,288,209</u>   |
| <b>Capital and reserves</b>                                    |       |              |                    |                  |                    |
| Called up share capital  | 26    |              | 339,843            |                  | 402,711            |
| Share premium account  | 27    |              | 1,653,899          |                  | 1,967,783          |
| Profit and loss reserves                                       | 29    |              | (2,050,849)        |                  | (1,082,285)        |
| <b>Total equity</b>  |       |              | <u>(57,107)</u>    |                  | <u>1,288,209</u>   |

As permitted by s408 Companies Act 2006, the company has not presented its own statement of comprehensive income. The company's loss for the year was £1,345,316 (2016 - £1,678,104 profit).

The financial statements were approved by the board of directors and authorised for issue on 18.12.17.. and are signed on its behalf by:

  
 .....  
 Mr K C Knowles  
 Director

## BEDS & BARS LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 1 APRIL 2017

|   | Share capital | Share premium account | Revaluation reserve | Profit and loss reserves | Total controlling interest | Non-controlling interest | Total       |
|---|---------------|-----------------------|---------------------|--------------------------|----------------------------|--------------------------|-------------|
| Notes   | £             | £                     | £                   | £                        | £                          | £                        | £           |
| As restated for the period ended 26 March 2016:   |               |                       |                     |                          |                            |                          |             |
| Balance at 1 April 2015                           | 402,711       | 1,967,783             | 6,200,886           | 2,493,571                | 11,064,951                 | (1,389,475)              | 9,675,476   |
| Year ended 26 March 2016:                         |               |                       |                     |                          |                            |                          |             |
| Profit for the year                               | -             | -                     | -                   | 1,257,898                | 1,257,898                  | (557,085)                | 700,813     |
| Other comprehensive income                        | -             | -                     | -                   | -                        | -                          | -                        | -           |
| Currency translation differences                  | -             | -                     | -                   | (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             | 950,197                  | 1,105,220                  | (402,063)                | 703,157     |
| Dividends   | -             | -                     | -                   | -                        | -                          | (34,154)                 | (34,154)    |
| NCI share of net assets on business combination   | -             | -                     | -                   | -                        | -                          | (431,626)                | (431,626)   |
| Balance at 26 March 2016 (as restated)            | 3             | 402,711               | 1,967,783           | 6,355,909                | 3,443,768                  | 12,170,171               | (2,257,318) |
|   |               |                       |                     |                          |                            |                          | 9,912,853   |

## BEDS & BARS LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 1 APRIL 2017

|   | Notes | Share capital<br>£ | Share premium<br>account<br>£ | Revaluation<br>reserve<br>£ | Profit and<br>loss<br>reserves<br>£ | Total<br>controlling<br>interest<br>£ | Non-<br>controlling<br>interest<br>£ | Total<br>£        |
|---|-------|--------------------|-------------------------------|-----------------------------|-------------------------------------|---------------------------------------|--------------------------------------|-------------------|
| <b>Year ended 1 April 2017:</b>                           |       |                    |                               |                             |                                     |                                       |                                      |                   |
| Profit for the year                                       |       | -                  | -                             | -                           | 2,576,809                           | 2,576,809                             | 1,162,480                            | 3,739,289         |
| Other comprehensive income                                |       |                    |                               |                             |                                     |                                       |                                      |                   |
| Revaluation of tangible fixed assets                      |       | -                  | -                             | 2,096,000                   | -                                   | 2,096,000                             | -                                    | 2,096,000         |
| Currency translation differences on overseas subsidiaries |       | -                  | -                             | -                           | (294,926)                           | (294,926)                             | -                                    | (294,926)         |
| Tax relating to other comprehensive income                |       | -                  | -                             | (242,810)                   | -                                   | (242,810)                             | -                                    | (242,810)         |
| Amounts attributable to non-controlling interests         |       | -                  | -                             | -                           | (87,600)                            | (87,600)                              | 87,600                               | -                 |
| Total comprehensive income for the year                   |       | -                  | -                             | 1,853,190                   | 2,194,283                           | 4,047,473                             | 1,250,080                            | 5,297,553         |
| Bonus issue of shares                                     | 26    | 313,884            | (313,884)                     | -                           | -                                   | -                                     | -                                    | -                 |
| Dividends   |       | -                  | -                             | -                           | -                                   | -                                     | (44,191)                             | (44,191)          |
| Reduction of shares                                       | 26    | (376,752)          | -                             | -                           | 376,752                             | -                                     | -                                    | -                 |
| Acquisition of non-controlling interests                  |       | -                  | -                             | -                           | -                                   | -                                     | (115,385)                            | (115,385)         |
| <b>Balance at 1 April 2017</b>                            |       | <b>339,843</b>     | <b>1,653,899</b>              | <b>8,209,099</b>            | <b>6,014,803</b>                    | <b>16,217,644</b>                     | <b>(1,166,814)</b>                   | <b>15,050,830</b> |



# **BEDS & BARS LIMITED**

## **COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 1 APRIL 2017**

|  | Notes | Share<br>capital<br>£ | Share<br>premium<br>account<br>£ | Profit and<br>loss<br>reserves<br>£ | Total<br>£  |
|--|-------|-----------------------|----------------------------------|-------------------------------------|-------------|
| <b>Balance at 1 April 2015</b>                     |       | 402,711               | 1,967,783                        | (2,760,389)                         | (389,895)   |
| <b>Year ended 26 March 2016:</b>                   |       |                       |                                  |                                     |             |
| Profit and total comprehensive income for the year |       | -                     | -                                | 1,678,104                           | 1,678,104   |
| <b>Balance at 26 March 2016</b>                    |       | 402,711               | 1,967,783                        | (1,082,285)                         | 1,288,209   |
| <b>Year ended 1 April 2017:</b>                    |       |                       |                                  |                                     |             |
| Loss and total comprehensive income for the year   |       | -                     | -                                | (1,345,316)                         | (1,345,316) |
| Bonus issue of shares                              | 26    | 313,884               | (313,884)                        | -                                   | -           |
| Reduction of shares                                | 26    | (376,752)             | -                                | 376,752                             | -           |
| <b>Balance at 1 April 2017</b>                     |       | 339,843               | 1,653,899                        | (2,050,849)                         | (57,107)    |

# BEDS & BARS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 1 APRIL 2017

|  | Notes       | 2017<br>£               | £            | 2016<br>£               | £ |
|--|-------------|-------------------------|--------------|-------------------------|---|
| <b>Cash flows from operating activities</b>                    |             |                         |              |                         |   |
| Cash generated from operations                                 | 30          | 4,375,794               |              | 3,380,154               |   |
| Interest paid  |             | (637,438)               |              | (605,253)               |   |
| Income taxes paid  |             | (627,324)               |              | (374,334)               |   |
| <b>Net cash inflow from operating activities</b>               |             | <u>3,111,032</u>        |              | <u>2,400,567</u>        |   |
| <b>Investing activities</b>                                    |             |                         |              |                         |   |
| Purchase of business   |             | -                       | 652,948      |                         |   |
| Purchase of tangible fixed assets                              | (3,881,866) |                         | (1,491,779)  |                         |   |
| Proceeds on disposal of tangible fixed assets                  | 1,925,510   |                         | 10,103,910   |                         |   |
| Purchase of shares in subsidiary from non-controlling interest | (115,385)   |                         | -            |                         |   |
| Interest received  | 745         |                         | 98,952       |                         |   |
| <b>Net cash (used in)/generated from investing activities</b>  |             | <u>(2,070,996)</u>      |              | <u>9,364,031</u>        |   |
| <b>Financing activities</b>                                    |             |                         |              |                         |   |
| Proceeds from borrowings                                       | 881,973     |                         | 470,093      |                         |   |
| Repayment of borrowings  | (1,331,500) |                         | (12,462,073) |                         |   |
| Payment of finance leases obligations                          | (119,228)   |                         | (23,890)     |                         |   |
| Dividends paid to non-controlling interests                    | (44,191)    |                         | (34,154)     |                         |   |
| <b>Net cash used in financing activities</b>                   |             | <u>(612,946)</u>        |              | <u>(12,050,024)</u>     |   |
| <b>Net increase/(decrease) in cash and cash equivalents</b>    |             | <u>427,090</u>          |              | <u>(285,426)</u>        |   |
| Cash and cash equivalents at beginning of year                 |             | 3,374,862               |              | 3,562,106               |   |
| Effect of foreign exchange rates                               |             | (159,664)               |              | 98,182                  |   |
| <b>Cash and cash equivalents at end of year</b>                |             | <u><u>3,642,288</u></u> |              | <u><u>3,374,862</u></u> |   |
| <b>Relating to:</b>  |             |                         |              |                         |   |
| Cash at bank and in hand                                       |             | 4,069,858               |              | 4,379,868               |   |
| Bank overdrafts included in creditors payable within one year  |             | <u>(427,570)</u>        |              | <u>(1,005,006)</u>      |   |

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 1 APRIL 2017

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#### 1 Accounting policies

##### Company information

Beds & Bars Limited ("the company") is a private company limited by shares, and is registered, domiciled and 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 £1.

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.

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

##### 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 1 April 2017. 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.

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.

# **BEDS & BARS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 1 APRIL 2017**

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#### **1 Accounting policies (Continued)**

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 secured long term finance from HSBC on 31 March 2015. This £11 million facility has an initial expiry date of 31 March 2030 and is primarily secured on the UK freehold and leasehold estate. Repayments are based on a 20 year repayment profile with a final bullet repayment due on 31 March 2030. The interest rate on the loan is base rate plus 2.5%. The covenants are considered reasonable and achievable and measure CFADS, 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 2018 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.

#### **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.

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 1 APRIL 2017

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#### 1 Accounting policies (Continued)

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.

#### **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 |
|----------------------|----------|

#### **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 buildings           | Over 50 years   |
| Leasehold land and buildings | Over an average leasehold length of 10 - 50 years             |
| Fixtures and fittings        | Over 5 or 10 years depending on the useful life of the assets |
| Motor vehicles               | Over 4 years  |

Freehold land is not depreciated.

# **BEDS & BARS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 1 APRIL 2017**

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#### **1 Accounting policies (Continued)**

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.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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

#### **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.

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 1 APRIL 2017

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#### 1 Accounting policies (Continued)

##### **Stocks**

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

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 are basic financial instruments and 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.

##### **Basic financial assets**

Basic financial assets, which include trade and other debtors, loans to fellow group companies 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.

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 1 APRIL 2017

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#### 1 Accounting policies (Continued)

##### ***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.

##### **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.



# **BEDS & BARS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 1 APRIL 2017**

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#### **1 Accounting policies (Continued)**

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.

#### **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 as an expense 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.

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 1 APRIL 2017

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#### 1 Accounting policies (Continued)

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.

#### 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.

##### **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 (2016 - nil).

##### **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 1 APRIL 2017

#### 3 Prior period adjustment

A prior period adjustment has been recognised to correct the non-controlling interest's share of profit for the year to 26 March 2016 to include their share of management charges payable by the applicable subsidiaries. This adjustment has resulted in an increase in the profits attributable to the owners of the parent and a corresponding decrease in the profits attributable to non-controlling interest for the year ended 26 March 2016 of £1,195,741. The owners of the parent's capital and reserves as at 26 March 2016 has increased by £1,195,741.

#### Changes to the statement of financial position - group

|   | At 26 March 2016       |             |                  |
|---|------------------------|-------------|------------------|
|   | As previously reported | Adjustment  | As restated      |
|   | £                      | £           | £                |
| Equity attributable to the owners of the parent company | 10,974,430             | 1,195,741   | 12,170,171       |
| Non-controlling interests                               | (1,061,577)            | (1,195,741) | (2,257,318)      |
|   | <u>9,912,853</u>       | <u>-</u>    | <u>9,912,853</u> |

#### Changes to the income statement - group

|   | Period ended 26 March 2016 |             |                |
|---|----------------------------|-------------|----------------|
|   | As previously reported     | Adjustment  | As restated    |
|   | £                          | £           | £              |
| Profit for the year is attributable to:                     |                            |             |                |
| -Owners of the parent                                       | 62,157                     | 1,195,741   | 1,257,898      |
| -Non-controlling interests                                  | 638,656                    | (1,195,741) | (557,085)      |
|   | <u>700,813</u>             | <u>-</u>    | <u>700,813</u> |
| Total comprehensive income for the year is attributable to: |                            |             |                |
| -Owners of the parent                                       | (90,521)                   | 1,195,741   | 1,105,220      |
| -Non-controlling interests                                  | 793,678                    | (1,195,741) | (402,063)      |
|   | <u>703,157</u>             | <u>-</u>    | <u>703,157</u> |

#### 4 Turnover and other revenue

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

|   | 2017              | 2016              |
|---|-------------------|-------------------|
|   | £                 | £                 |
| <b>Turnover analysed by class of business</b> |                   |                   |
| Sales of accommodation and ancillary services | 23,410,661        | 21,247,983        |
| Sales of food and beverages                   | 22,988,948        | 20,624,105        |
| Other sales                                   | 1,375,670         | 25,792            |
|   | <u>47,775,279</u> | <u>41,897,880</u> |

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 1 APRIL 2017

### 4 Turnover and other revenue (Continued)

#### Other revenue

|                 |     |        |
|-----------------|-----|--------|
| Interest income | 745 | 98,952 |
|-----------------|-----|--------|

#### Turnover analysed by geographical market

|                | 2017<br>£         | 2016<br>£         |
|----------------|-------------------|-------------------|
| United Kingdom | 19,518,006        | 18,426,865        |
| Rest of Europe | 28,257,273        | 23,471,015        |
|                | <u>47,775,279</u> | <u>41,897,880</u> |

### 5 Operating profit

|   | 2017<br>£        | 2016<br>£        |
|---|------------------|------------------|
| Operating profit for the year is stated after charging/(crediting): |                  |                  |
| Exchange (gains) / losses   | (507,845)        | 103,621          |
| Depreciation of owned tangible fixed assets                         | 1,991,498        | 1,983,808        |
| Depreciation of tangible fixed assets held under finance leases     | 81,211           | 40,010           |
| (Profit)/loss on disposal of tangible fixed assets                  | (1,537,636)      | 6,215,977        |
| Amortisation of goodwill  | 151,894          | 137,926          |
| Release of negative goodwill  | (15,568)         | (15,568)         |
| Cost of stocks recognised as an expense                             | 9,085,528        | 8,136,233        |
| Operating lease charges   | <u>7,362,392</u> | <u>6,213,303</u> |

During the year, exceptional gains from refinancing were credited to the operating profit totalling £1,856,795 (2016 - £5,238,544). The gains related to the write down of loans and interest following Barcelona refinancing.

### 6 Directors' remuneration

|                                      | 2017<br>£      | 2016<br>£      |
|--------------------------------------|----------------|----------------|
| Remuneration for qualifying services | <u>728,869</u> | <u>540,906</u> |

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

|                                      | 2017<br>£      | 2016<br>£      |
|--------------------------------------|----------------|----------------|
| Remuneration for qualifying services | <u>410,539</u> | <u>397,211</u> |

During the current and comparative periods no directors accrued pension contributions.

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 1 APRIL 2017

### 7 Employees

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

|                   | 2017<br>Number | 2016<br>Number |
|-------------------|----------------|----------------|
| Management        | 42             | 64             |
| Operational staff | 510            | 468            |
| Administration    | 70             | 37             |
|                   | <u>622</u>     | <u>569</u>     |

Their aggregate remuneration comprised:

|                       | 2017<br>£         | 2016<br>£         |
|-----------------------|-------------------|-------------------|
| Wages and salaries    | 14,461,481        | 12,459,711        |
| Social security costs | 1,251,671         | 1,086,218         |
| Pension costs         | 23,631            | 22,347            |
|                       | <u>15,736,783</u> | <u>13,568,276</u> |

### 8 Retirement benefit schemes

|   | 2017<br>£     | 2016<br>£     |
|---|---------------|---------------|
| <b>Defined contribution schemes</b>                                 |               |               |
| Charge to profit or loss in respect of defined contribution schemes | <u>23,631</u> | <u>22,347</u> |

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 1 APRIL 2017

### 9 Auditor's remuneration

|   | 2017<br>£      | 2016<br>£     |
|---|----------------|---------------|
| Fees payable to the company's auditor and associates:           |                |               |
| <b>For audit services</b>                                       |                |               |
| Audit of the financial statements of the group and company      | 20,400         | 20,400        |
| Audit of the financial statements of the company's subsidiaries | 39,600         | 50,868        |
|   | <u>60,000</u>  | <u>71,268</u> |
| <b>For other services</b>                                       |                |               |
| Taxation compliance services                                    | 11,970         | 11,765        |
| Other taxation services   | 79,760         | 17,900        |
| All other non-audit services                                    | 96,057         | 33,684        |
|   | <u>187,787</u> | <u>63,349</u> |

### 10 Interest receivable and similar income

|  | 2017<br>£  | 2016<br>£     |
|--|------------|---------------|
| <b>Interest income</b>                                   |            |               |
| Interest on bank deposits                                | 745        | 98,952        |
|  | <u>745</u> | <u>98,952</u> |
| Investment income includes the following:                |            |               |
| Interest on financial assets measured at amortised costs | 745        | 98,952        |
|  | <u>745</u> | <u>98,952</u> |

### 11 Interest payable and similar expenses

|  | 2017<br>£        | 2016<br>£      |
|--|------------------|----------------|
| <b>Interest on financial liabilities measured at amortised cost:</b> |                  |                |
| Interest on bank overdrafts and loans                                | 411,255          | 568,685        |
| Interest on finance leases and hire purchase contracts               | 28,453           | 4,841          |
| Dividends on preference shares classified as liabilities             | -                | 125            |
| Interest on other loans  | 750,033          | 247,040        |
|  | <u>1,189,741</u> | <u>820,691</u> |

### 12 Taxation

|   | 2017<br>£      | 2016<br>£      |
|---|----------------|----------------|
| <b>Current tax</b>                                    |                |                |
| UK corporation tax on profits for the current period  | 489,471        | -              |
| Foreign current tax on profits for the current period | 152,565        | 332,788        |
|   | <u>642,036</u> | <u>332,788</u> |

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 1 APRIL 2017

### 12 Taxation (Continued)

|  |           |           |
|--|-----------|-----------|
| <b>Deferred tax</b>                            |           |           |
| Origination and reversal of timing differences | 444,873   | (256,654) |
| Changes in tax rates                           | (99,354)  | 21,735    |
| Adjustment in respect of prior periods         | (261,726) | (550,292) |
| Total deferred tax                             | 83,793    | (785,211) |
| Total tax charge/(credit)                      | 725,829   | (452,423) |

During the year, the Finance Act 2016 was enacted so as to reduce the corporation tax rate to 17% for the financial year 2020. As a result of previous legislation affecting the UK tax rate, the main rate of corporation tax reduced from 21% to 20% with effect from 1 April 2015.

The total tax charge/(credit) for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

|  | 2017<br>£ | 2016<br>£ |
|--|-----------|-----------|
| Profit before taxation   | 4,465,118 | 248,390   |
| Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%) | 893,024   | 49,678    |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 215,443   | 129,671   |
| Tax effect of income not taxable in determining taxable profit                                       | (22,313)  | -         |
| Tax effect of utilisation of tax losses not previously recognised                                    | (363,649) | -         |
| Change in unrecognised deferred tax assets   | (24,538)  | -         |
| Adjustments in respect of prior years  | 813       | -         |
| Effect of change in corporation tax rate   | (95,064)  | 50,252    |
| Permanent capital allowances in excess of depreciation   | (196,427) | (357,123) |
| Amortisation on assets not qualifying for tax allowances   | -         | 24,472    |
| Other permanent differences  | (68,697)  | (123,101) |
| Effect of overseas tax rates   | 7,865     | 474,756   |
| Deferred tax adjustments in respect of prior years   | (261,726) | (550,292) |
| Foreign exchange through OCI re net investment in foreign operations                                 | -         | (150,736) |
| Chargable gains  | 641,098   | -         |
| Taxation charge/(credit) for the year  | 725,829   | (452,423) |

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 1 APRIL 2017

### 12 Taxation (Continued)

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

|   | 2017<br>£ | 2016<br>£ |
|---|-----------|-----------|
| Deferred tax arising on:<br>Revaluation of property | 242,810   | (155,023) |

### 13 Intangible fixed assets

| Group                              | Goodwill<br>£ | Negative<br>goodwill<br>£ | Total<br>£ |
|------------------------------------|---------------|---------------------------|------------|
| <b>Cost</b>                        |               |                           |            |
| At 27 March 2016                   | 4,807,393     | (467,035)                 | 4,340,358  |
| Exchange adjustments               | 293,354       | -                         | 293,354    |
| At 1 April 2017                    | 5,100,747     | (467,035)                 | 4,633,712  |
| <b>Amortisation and impairment</b> |               |                           |            |
| At 27 March 2016                   | 1,360,033     | (155,681)                 | 1,204,352  |
| Amortisation charged for the year  | 151,894       | (15,568)                  | 136,326    |
| Exchange adjustments               | 98,746        | -                         | 98,746     |
| At 1 April 2017                    | 1,610,673     | (171,249)                 | 1,439,424  |
| <b>Carrying amount</b>             |               |                           |            |
| At 1 April 2017                    | 3,490,074     | (295,786)                 | 3,194,288  |
| At 26 March 2016                   | 3,447,360     | (311,354)                 | 3,136,006  |



# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 1 APRIL 2017

### 13 Intangible fixed assets (Continued)

| Company                           | Patents and licences |
|-----------------------------------|----------------------|
|                                   | £                    |
| <b>Cost</b>                       |                      |
| At 27 March 2016 and 1 April 2017 | 750,000              |
| <b>Amortisation</b>               |                      |
| At 27 March 2016                  | 75,000               |
| Amortisation charged for the year | 37,500               |
| At 1 April 2017                   | 112,500              |
| <b>Carrying amount</b>            |                      |
| At 1 April 2017                   | 637,500              |
| At 26 March 2016                  | 675,000              |

### 14 Tangible fixed assets

| Group                              | Freehold buildings | Leasehold land and buildings | Fixtures and fittings | Motor vehicles | Total      |
|------------------------------------|--------------------|------------------------------|-----------------------|----------------|------------|
|                                    | £                  | £                            | £                     | £              | £          |
| <b>Cost or valuation</b>           |                    |                              |                       |                |            |
| At 27 March 2016                   | 17,946,050         | 12,513,095                   | 12,627,782            | 120,864        | 43,207,791 |
| Additions                          | -                  | 1,906,899                    | 2,086,470             | 61,177         | 4,054,546  |
| Disposals                          | (131,744)          | (275,282)                    | (342,857)             | -              | (749,883)  |
| Revaluation                        | 2,096,000          | -                            | -                     | -              | 2,096,000  |
| Exchange adjustments               | 88,883             | 410,036                      | 436,473               | -              | 935,392    |
| At 1 April 2017                    | 19,999,189         | 14,554,748                   | 14,807,868            | 182,041        | 49,543,846 |
| <b>Depreciation and impairment</b> |                    |                              |                       |                |            |
| At 27 March 2016                   | 806,922            | 5,744,814                    | 6,640,501             | 95,762         | 13,287,999 |
| Depreciation charged in the year   | 211,895            | 404,160                      | 1,448,323             | 8,331          | 2,072,709  |
| Eliminated in respect of disposals | -                  | (116,983)                    | (245,026)             | -              | (362,009)  |
| Exchange adjustments               | 35,564             | 182,322                      | 248,961               | -              | 466,847    |
| At 1 April 2017                    | 1,054,381          | 6,214,313                    | 8,092,759             | 104,093        | 15,465,546 |
| <b>Carrying amount</b>             |                    |                              |                       |                |            |
| At 1 April 2017                    | 18,944,808         | 8,340,435                    | 6,715,109             | 77,948         | 34,078,300 |
| At 26 March 2016                   | 17,139,128         | 6,768,281                    | 5,987,281             | 25,102         | 29,919,792 |

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 1 APRIL 2017

### 14 Tangible fixed assets (Continued)

| Company                            | Fixtures and fittings |
|------------------------------------|-----------------------|
|                                    | £                     |
| <b>Cost or valuation</b>           |                       |
| At 27 March 2016                   | 246,344               |
| Additions                          | 11,660                |
| Disposals                          | (14,257)              |
| At 1 April 2017                    | 243,747               |
| <b>Depreciation and impairment</b> |                       |
| At 27 March 2016                   | 169,778               |
| Depreciation charged in the year   | 17,483                |
| At 1 April 2017                    | 187,261               |
| <b>Carrying amount</b>             |                       |
| At 1 April 2017                    | 56,486                |
| At 26 March 2016                   | 76,566                |

The carrying value of land and buildings comprises:

|          | Group<br>2017<br>£ | 2016<br>£  | Company<br>2017<br>£ | 2016<br>£ |
|----------|--------------------|------------|----------------------|-----------|
| Freehold | 10,731,500         | 10,731,500 | -                    | -         |

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

|  | Group<br>2017<br>£ | 2016<br>£ | Company<br>2017<br>£ | 2016<br>£ |
|--|--------------------|-----------|----------------------|-----------|
| Fixtures and fittings  | 291,521            | 271,566   | -                    | -         |
| Motor vehicles   | 77,839             | 33,325    | -                    | -         |
|  | 369,360            | 304,891   | -                    | -         |
| Depreciation charge for the year in respect of leased assets | 81,211             | 40,010    | -                    | -         |

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 1 APRIL 2017

### 14 Tangible fixed assets (Continued)

The fair value of The Flying Horse has been arrived at on the basis of a valuation carried out at 8 February 2017 by Christie & Co, Chartered Surveyors, who are not connected to the company. The directors consider the above valuation to be a fair representation of the property's fair value 1 April 2017.

The fair value of the group's remaining investment properties has been arrived at on the basis of a valuation carried out at 25 November 2014 by Christie & Co, Chartered Surveyors. The directors consider the above valuation to be a fair representation of the property's fair value at 27 March 2016 and 1 April 2017.

The valuations conform to International Valuation Standards and were 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<br>2017<br>£ | 2016<br>£        | Company<br>2017<br>£ | 2016<br>£ |
|--------------------------|--------------------|------------------|----------------------|-----------|
| Cost                     | 9,737,655          | 9,737,655        | -                    | -         |
| Accumulated depreciation | (303,154)          | (242,523)        | -                    | -         |
| Carrying value           | <u>9,434,501</u>   | <u>9,495,132</u> | <u>-</u>             | <u>-</u>  |

### 15 Fixed asset investments

|                             | Notes | Group<br>2017<br>£ | 2016<br>£     | Company<br>2017<br>£ | 2016<br>£        |
|-----------------------------|-------|--------------------|---------------|----------------------|------------------|
| Investments in subsidiaries | 16    | -                  | -             | 2,251,183            | 2,117,398        |
| Investments less than 20%   |       | 91,501             | 91,501        | 91,501               | 91,501           |
|                             |       | <u>91,501</u>      | <u>91,501</u> | <u>2,342,684</u>     | <u>2,208,899</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 1 APRIL 2017

### 15 Fixed asset investments (Continued)

#### Movements in fixed asset investments Group

Investments  
less than 20%  
£

#### Cost or valuation

At 27 March 2016 and 1 April 2017

662,190

#### Impairment

At 27 March 2016 and 1 April 2017

570,689

#### Carrying amount

At 1 April 2017

91,501

At 26 March 2016

91,501

#### Movements in fixed asset investments Company

Investments  
less than 20%

Investments  
in  
subsidiaries

Total

£

£

£

#### Cost or valuation

At 27 March 2016

1,336,763

2,117,398

3,454,161

Additions

-

133,785

133,785

At 1 April 2017

1,336,763

2,251,183

3,587,946

#### Impairment

At 27 March 2016 and 1 April 2017

1,245,262

-

1,245,262

#### Carrying amount

At 1 April 2017

91,501

2,251,183

2,342,684

At 26 March 2016

91,501

2,117,398

2,208,899

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 1 APRIL 2017

### 16 Subsidiaries

Details of the company's subsidiaries at 1 April 2017 are as follows:

| Name of undertaking               | Registered office key | Nature of business   | Class of shares held | % Held |          |
|-----------------------------------|-----------------------|--|----------------------|--------|----------|
|                                   |                       |  |                      | Direct | Indirect |
| Interpub Limited                  | a)                    | Licence public houses with ancilliary budget accommodation | Ordinary             | 100.00 |          |
| St Christopher's Holdings Limited | a)                    | Dormant holding company                                    | Ordinary             | 100.00 |          |
| St Christopher's (Amsterdam) BV   | b)                    | Licence public houses with ancilliary budget accommodation | Ordinary             | 100.00 |          |
| St Christopher's (Bruges) BV      | c)                    | Licence public houses with ancilliary budget accommodation | Ordinary             | 90.00  |          |
| St Christopher's (Berlin) GmbH    | d)                    | Licence public houses with ancilliary budget accommodation | Ordinary             | 100.00 |          |
| Interpub Solutions Limited        | a)                    | Dormant  | Ordinary             |        | 100.00   |
| St Christopher's Inns Limited     | a)                    | Property holding company                                   | Ordinary             |        | 100.00   |
| St Christopher's (Orient) Limited | a)                    | Property holding company                                   | Ordinary             |        | 75.00    |
| Crossgate BV                      | c)                    | Licence public houses with ancilliary budget accommodation | Ordinary             |        | 90.00    |
| Hotel Winston BV                  | b)                    | Licence public houses with ancilliary budget accommodation | Ordinary             |        | 100.00   |
| Winston Kingdom BV                | e)                    | Nightclub  | Ordinary             |        | 100.00   |
| St Christopher's (Paris) sas      | f)                    | Licence public houses with ancilliary budget accommodation | Ordinary             | 73.00  |          |
| Gare du Nord sas                  | f)                    | Licence public houses with ancilliary budget accommodation | Ordinary             |        | 73.00    |
| Litera y Bares SL                 | g)                    | Licence public houses with ancilliary budget accommodation | Ordinary             | 50.00  |          |
| Beds and Bars Franchise Limited   | a)                    | Franchising  | Ordinary             | 100.00 |          |
| Flying Pig UK Limited             | a)                    | Holding company  | Ordinary             | 13.00  |          |
| Flying Pig Headoffice BV          | b)                    | Holding company  | Ordinary             |        | 13.00    |
| Flying Pig Downtown BV            | h)                    | Licence public houses with ancilliary budget accommodation | Ordinary             |        | 13.00    |
| Flying Pig Uptown BV              | h)                    | Licence public houses with ancilliary budget accommodation | Ordinary             |        | 13.00    |

## BEDS & BARS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 1 APRIL 2017

#### 16 Subsidiaries (Continued)

##### Registered Office addresses:

- a) 1D Colet Gardens, Hammersmith, London, England, W14 9DH.
- b) Warmoesstraat 129, 1012JA Amsterdam, Netherlands.
- c) 133-137 Langestrat, Bruges, 8000, Belgium.
- d) Rosa-Luxemburg-Strasse 39-41, 10178 Berlin, Germany.
- e) Warmoesstraat 131, 1012JB Amsterdam, Netherlands.
- f) 159 Rue de Crimée, 75019 Paris, France.
- g) Avda. Instituto Obrero 20, zip code/CP: 46013, Valencia, Spain.
- h) Nieuwendijk 100, 1012 MR Amsterdam, Netherlands.

Flying Pig UK Limited and its three wholly owned subsidiaries, Flying Pig Headoffice BV, Flying Pig Downtown BV and Flying Pig Uptown BV, have been determined by the directors to be companies under common control and are managed on a unified basis with that of Beds & Bars Limited and its subsidiaries. Consequently the entities are included within the consolidated financial statements of Beds & Bars Limited.

#### 17 Stocks

|                                     | Group<br>2017<br>£ | 2016<br>£      | Company<br>2017<br>£ | 2016<br>£ |
|-------------------------------------|--------------------|----------------|----------------------|-----------|
| Raw materials and consumables       | 46,950             | 51,409         | -                    | -         |
| Finished goods and goods for resale | 247,903            | 275,624        | -                    | -         |
|                                     | <u>294,853</u>     | <u>327,033</u> | <u>-</u>             | <u>-</u>  |

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

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 1 APRIL 2017

### 18 Debtors

|  | Group<br>2017<br>£ | 2016<br>£        | Company<br>2017<br>£ | 2016<br>£        |
|--|--------------------|------------------|----------------------|------------------|
| <b>Amounts falling due within one year:</b>          |                    |                  |                      |                  |
| Trade debtors  | 194,139            | 620,375          | -                    | -                |
| Corporation tax recoverable                          | 640,731            | 223,133          | -                    | -                |
| Other debtors  | 814,743            | 739,656          | 43,145               | 60,728           |
| Prepayments and accrued income                       | 1,010,917          | 757,348          | 11,468               | 2,024            |
|  | <u>2,660,530</u>   | <u>2,340,512</u> | <u>54,613</u>        | <u>62,752</u>    |
| Deferred tax asset (note 24)                         | 396,040            | 568,171          | 506,230              | 540,599          |
|  | <u>3,056,570</u>   | <u>2,908,683</u> | <u>560,843</u>       | <u>603,351</u>   |
| <b>Amounts falling due after more than one year:</b> |                    |                  |                      |                  |
| Amounts owed by group undertakings                   | 200,000            | -                | 24,872,562           | 6,157,259        |
| Other debtors  | 1,003,532          | 720,605          | 10,419               | 37,172           |
|  | <u>1,203,532</u>   | <u>720,605</u>   | <u>24,882,981</u>    | <u>6,194,431</u> |
| <b>Total debtors</b>                                 | <u>4,260,102</u>   | <u>3,629,288</u> | <u>25,443,824</u>    | <u>6,797,782</u> |

### 19 Creditors: amounts falling due within one year

|                                    | Notes | Group<br>2017<br>£ | 2016<br>£         | Company<br>2017<br>£ | 2016<br>£         |
|------------------------------------|-------|--------------------|-------------------|----------------------|-------------------|
| Bank loans and overdrafts          | 21    | 1,268,574          | 3,319,617         | -                    | -                 |
| Obligations under finance leases   | 22    | 165,656            | 106,796           | -                    | -                 |
| Other borrowings                   | 21    | 1,787,189          | 1,261,184         | 523,077              | -                 |
| Payments received on account       |       | 39,850             | 75,117            | -                    | -                 |
| Trade creditors                    |       | 2,487,233          | 3,147,251         | -                    | 3,912             |
| Amounts due to group undertakings  |       | -                  | -                 | 27,339,916           | 9,796,511         |
| Corporation tax payable            |       | 561,546            | 129,236           | -                    | -                 |
| Other taxation and social security |       | 1,223,446          | 1,186,586         | 25,668               | 8,321             |
| Other creditors                    |       | 1,536,376          | 1,627,405         | 271,699              | 48,082            |
| Accruals and deferred income       |       | 4,046,461          | 3,036,765         | 503,958              | 323,712           |
|                                    |       | <u>13,116,331</u>  | <u>13,889,957</u> | <u>28,664,318</u>    | <u>10,180,538</u> |

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 1 APRIL 2017

### 20 Creditors: amounts falling due after more than one year

|                                  |              | <b>Group</b>      |                   | <b>Company</b> |                |
|----------------------------------|--------------|-------------------|-------------------|----------------|----------------|
|                                  |              | <b>2017</b>       | <b>2016</b>       | <b>2017</b>    | <b>2016</b>    |
|                                  | <b>Notes</b> | <b>£</b>          | <b>£</b>          | <b>£</b>       | <b>£</b>       |
| Bank loans and overdrafts        | <b>21</b>    | 11,395,501        | 10,780,614        | -              | -              |
| Obligations under finance leases | <b>22</b>    | 161,769           | 167,177           | -              | -              |
| Other borrowings                 | <b>21</b>    | 3,500,171         | 4,675,362         | 69,231         | 500,000        |
| Preference shares                |              | 2,500             | 2,500             | 2,500          | 2,500          |
| Accruals and deferred income     |              | 308,374           | 308,374           | -              | -              |
|                                  |              | <u>15,368,315</u> | <u>15,934,027</u> | <u>71,731</u>  | <u>502,500</u> |

### 21 Borrowings

|   |  | <b>Group</b>      |                   | <b>Company</b> |                |
|---|--|-------------------|-------------------|----------------|----------------|
|   |  | <b>2017</b>       | <b>2016</b>       | <b>2017</b>    | <b>2016</b>    |
|   |  | <b>£</b>          | <b>£</b>          | <b>£</b>       | <b>£</b>       |
| Bank loans  |  | 12,236,505        | 13,095,225        | -              | -              |
| Bank overdrafts   |  | 427,570           | 1,005,006         | -              | -              |
| Preference shares                                       |  | 2,500             | 2,500             | 2,500          | 2,500          |
| Loans from related parties                              |  | 238,000           | 238,000           | -              | -              |
| Other loans   |  | 5,049,360         | 5,698,546         | 592,308        | 500,000        |
|   |  | <u>17,953,935</u> | <u>20,039,277</u> | <u>594,808</u> | <u>502,500</u> |
| Payable within one year                                 |  | 3,055,763         | 4,580,801         | 523,077        | -              |
| Payable after one year                                  |  | <u>14,898,172</u> | <u>15,458,476</u> | <u>71,731</u>  | <u>502,500</u> |
| Amounts included above which fall due after five years: |  |                   |                   |                |                |
| Payable by instalments                                  |  | 10,533,731        | 11,100,808        | -              | -              |
| Payable other than by instalments                       |  | 238,000           | 238,000           | -              | -              |
|   |  | <u>10,771,731</u> | <u>11,338,808</u> | <u>-</u>       | <u>-</u>       |



## **BEDS & BARS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 1 APRIL 2017**

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#### **21 Borrowings (Continued)**

##### **Bank loans**

Interpub Limited owed to HSBC Bank plc an amount of £10,134,395 (2016 - £10,629,658). 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.

In May 2016, Interpub Limited entered into a further agreement with HSBC Bank Plc for a loan facility of £500,000. As at the year end an amount of £500,000 (2016 - £nil) was owed to HSBC Bank Plc. 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 August 2028. 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.

In December 2016, Interpub Limited entered into a further agreement with HSBC Bank Plc for a loan facility of £4,200,000. As at the year end an amount of £381,974 (2016 - £nil) was owed to HSBC Bank plc. Interest is payable at 2.5% per annum over Bank of England base rate. The loan will be repayable in full by on or before 30 June 2019. A separate loan agreement has been agreed with HSBC Bank plc to fund the repayment of the £4,200,000 facility with a loan of the same amount, repayable in equal monthly instalments over 10 years and 9 months. 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 (2016 - £500,000), it is unsecured and bears interest at 10% per annum. The loan has subsequently been repaid in full in April 2017.

Flying Pig UK Limited owed Heineken UK Limited an amount of £2,299,521 (2016 - £2,399,521). 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 (2016 - £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 2018 and is secured by a second legal charge over certain freehold property of the group. Subsequent to the year end, terms were agreed to repay £450,000 of the loan with the balance of £350,000 being repayable in equal quarterly instalments from June 2018.

The remaining group companies owed a total of £2,959,643 (€3,461,007) (2016 - £2,401,060 (€3,013,122)) 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.

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 1 APRIL 2017

### 22 Finance lease obligations

|   | Group<br>2017<br>£ | 2016<br>£      | Company<br>2017<br>£ | 2016<br>£ |
|---|--------------------|----------------|----------------------|-----------|
| Future minimum lease payments due under finance leases: |                    |                |                      |           |
| Less than one year                                      | 185,780            | 107,294        | -                    | -         |
| Between one and five years                              | 170,297            | 201,777        | -                    | -         |
|   | <u>356,077</u>     | <u>309,071</u> | <u>-</u>             | <u>-</u>  |
| Less: future finance charges                            | (28,652)           | (35,098)       | -                    | -         |
|   | <u>327,425</u>     | <u>273,973</u> | <u>-</u>             | <u>-</u>  |

The group has entered into hire purchase arrangements in order to purchase various fixed assets. At 1 April 2017, the hire purchase arrangements have final payment dates ranging from September 2018 to July 2019 and it is expected that the company 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 £189,034 (2016 - £236,544).

### 23 Provisions for liabilities

|   | Group<br>2017<br>£ | 2016<br>£        | Company<br>2017<br>£ | 2016<br>£ |
|---|--------------------|------------------|----------------------|-----------|
| Additional potential liability under loan agreement | 815,418            | 263,115          | -                    | -         |
| Deferred tax liabilities                            | 1,638,008          | 1,483,536        | -                    | -         |
|   | <u>2,453,426</u>   | <u>1,746,651</u> | <u>-</u>             | <u>-</u>  |

Movements on provisions:

| Group                             | £              |
|-----------------------------------|----------------|
| At 27 March 2016                  | 263,115        |
| Additional provisions in the year | 552,303        |
| At 1 April 2017                   | <u>815,418</u> |

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

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 1 APRIL 2017

#### 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<br>2017<br>£ | Liabilities<br>2016<br>£ | Assets<br>2017<br>£ | Assets<br>2016<br>£ |
|-------------------------------------|--------------------------|--------------------------|---------------------|---------------------|
| <b>Group</b>                        |                          |                          |                     |                     |
| Accelerated capital allowances      | -                        | 88,939                   | 23,632              | 137,662             |
| Tax losses                          | -                        | -                        | 370,263             | 430,509             |
| Revaluations                        | 1,638,008                | 1,395,199                | -                   | -                   |
| Other short term timing differences | -                        | (602)                    | 2,145               | -                   |
|                                     | <u>1,638,008</u>         | <u>1,483,536</u>         | <u>396,040</u>      | <u>568,171</u>      |

|                                | Liabilities<br>2017<br>£ | Liabilities<br>2016<br>£ | Assets<br>2017<br>£ | Assets<br>2016<br>£ |
|--------------------------------|--------------------------|--------------------------|---------------------|---------------------|
| <b>Company</b>                 |                          |                          |                     |                     |
| Accelerated capital allowances | -                        | -                        | 135,967             | 137,662             |
| Tax losses                     | -                        | -                        | 370,263             | 402,937             |
|                                | <u>-</u>                 | <u>-</u>                 | <u>506,230</u>      | <u>540,599</u>      |

|                                      | Group<br>2017<br>£ | Company<br>2017<br>£ |
|--------------------------------------|--------------------|----------------------|
| <b>Movements in the year:</b>        |                    |                      |
| Liability/(Asset) at 27 March 2016   | 915,365            | (540,599)            |
| Charge to profit or loss             | 183,147            | 3,890                |
| Credit to other comprehensive income | 242,810            | -                    |
| Effect of change in tax rate         | (99,354)           | 30,479               |
| Liability/(Asset) at 1 April 2017    | <u>1,241,968</u>   | <u>(506,230)</u>     |

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.

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 1 APRIL 2017

### 25 Financial instruments

|   | Group<br>2017<br>£ | 2016<br>£  | Company<br>2017<br>£ | 2016<br>£  |
|---|--------------------|------------|----------------------|------------|
| <b>Carrying amount of financial assets</b>          |                    |            |                      |            |
| Debt instruments measured at amortised cost         | 2,212,414          | 2,048,951  | 24,926,126           | 6,255,159  |
| Equity instruments measured at cost less impairment | 91,501             | 91,501     | 2,342,684            | 2,208,899  |
| <b>Carrying amount of financial liabilities</b>     |                    |            |                      |            |
| Measured at amortised cost                          | 26,372,229         | 28,508,162 | 28,710,381           | 10,674,717 |

### 26 Share capital

|   | Group and company |           |
|---|-------------------|-----------|
|   | 2017<br>£         | 2016<br>£ |
| <b>Ordinary share capital</b>           |                   |           |
| <b>Called up, issued and fully paid</b> |                   |           |
| 339,843 Ordinary shares of £1 each      | 339,843           | 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.

#### Reconciliation of movements during the year:

|  | Number    |
|--|-----------|
| At 27 March 2016                             | 402,711   |
| Cancellation of shares by special resolution | (376,752) |
| Bonus issue                                  | 313,884   |
| At 1 April 2017                              | 339,843   |

### 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.

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 1 APRIL 2017

### 29 Profit and loss reserves

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

### 30 Cash generated from group operations

|  | 2017<br>£        | 2016<br>£        |
|--|------------------|------------------|
| Profit for the year after tax                        | 3,739,289        | 700,813          |
| Adjustments for:                                     |                  |                  |
| Share of results of associates and joint ventures    | -                | (187,104)        |
| Taxation charged/(credited)                          | 725,829          | (452,423)        |
| Finance costs  | 1,189,741        | 820,691          |
| Investment income                                    | (745)            | (98,952)         |
| (Gain)/loss on disposal of tangible fixed assets     | (1,537,636)      | 6,215,977        |
| Amortisation and impairment of intangible assets     | 136,326          | 122,358          |
| Depreciation and impairment of tangible fixed assets | 2,072,709        | 2,023,818        |
| Foreign exchange gains on cash equivalents           | -                | 1,430,037        |
| Other gains and losses                               | (1,856,795)      | (5,238,544)      |
| Movements in working capital:                        |                  |                  |
| Decrease/(increase) in stocks                        | 32,180           | (30,287)         |
| Increase in debtors                                  | (385,347)        | (389,499)        |
| Increase/(decrease) in creditors                     | 260,243          | (1,536,731)      |
| <b>Cash generated from operations</b>                | <b>4,375,794</b> | <b>3,380,154</b> |

### 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.

### 32 Operating lease commitments

#### Lessee

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<br>2017<br>£ | 2016<br>£         | Company<br>2017<br>£ | 2016<br>£ |
|----------------------------|--------------------|-------------------|----------------------|-----------|
| Within one year            | 6,260,921          | 5,457,391         | -                    | -         |
| Between one and five years | 23,991,204         | 21,459,563        | -                    | -         |
| In over five years         | 28,430,991         | 29,161,948        | -                    | -         |
|                            | <u>58,683,116</u>  | <u>56,078,902</u> | <u>-</u>             | <u>-</u>  |

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 1 APRIL 2017

### 33 Related party transactions

#### Remuneration of key management personnel

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

|                        | 2017<br>£ | 2016<br>£ |
|------------------------|-----------|-----------|
| Aggregate compensation | 1,458,610 | 1,424,479 |

#### Transactions with related parties

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

|                          | 2017<br>£ | 2016<br>£ |
|--------------------------|-----------|-----------|
| <b>Group</b>             |           |           |
| 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 | 2,945,839 | 2,763,242 |
|--|-----------|-----------|

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 |           |
|---|---------------------------------|-----------|
|   | 2017<br>£                       | 2016<br>£ |
| <b>Company</b>  |                                 |           |
| Entities over which the company has control, joint control or significant influence | 27,289,471                      | 9,796,511 |

## BEDS & BARS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 1 APRIL 2017

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#### 33 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

|   | Amounts owed by related parties |           |
|---|---------------------------------|-----------|
|   | 2017                            | 2016      |
|   | Balance                         | Balance   |
|   | £                               | £         |
| <b>Company</b>  |                                 |           |
| Entities over which the company has control, joint control or significant influence | 22,937,157                      | 6,157,259 |

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.

#### 34 Controlling party

On 1 April 2017 the immediate and ultimate parent company was Beds & Bars Group Limited. The parent company's registered office is at Overford House, 1D Colet Gardens, Hammersmith, London, England W14 9DH.

The ultimate controlling party is Mr K C Knowles.