

Beds & Bars Limited

FINANCIAL STATEMENTS

For the year ended 29 March 2014

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COMPANIES HOUSE

Company Number: 05500765

Beds & Bars Limited
COMPANY INFORMATION

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

PRINCIPAL ACTIVITIES

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

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

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The directors are pleased to report that the Group has enjoyed strong performance for the year under review.

The Group's trading improved significantly during the period under review. This was assisted by the combination of improvements in the UK business, which saw a marked increase in accommodation sales plus strong growth in food & beverage turnover, along with the successful opening of the second Paris site in July 2013.

One of the key performance indicators for the business is EBITDA (earnings before interest, tax, depreciation and amortisation) which is presented within the financial statements. This indicator of cash generated increased to £3,731,116 (2013: £2,629,264) excluding a one-off exceptional charge of £85,568.

Group turnover for the period under review was £33,460,781 (2013: £27,939,287), a growth of 20%. This headline growth includes the influence of the opening of our second site in Paris in July 2013. On a like for like basis, turnover still grew by 5% in the period.

UK accommodation sales increased by 12% over the prior period and by 5% over the year before that (period ending March 2012), thereby showing growth on a more normalised trading period as well as against the difficult UK trading conditions experienced during the financial year to March 2013.

The Group's second Paris site near the Gare du Nord railway station was successfully opened in early July 2013. This is the Group's largest project to date and enjoyed 95% occupancy within two weeks of opening. The site includes over 480 shared room beds & 52 private rooms, a large Belushi's bar, facilities for group stays and a multi-use event space in the basement.

Gross Profit margins increased slightly to 81% from 80% in the prior period.

Group Operating Profit for the period increased to £1,687,149 (2013: £972,943).

In order to assist with the funding of the development of the new Paris unit near Gare du Nord, the Company's subsidiary St Christopher's Paris SAS issued an additional 8,824 ordinary shares, resulting in a gain of £773,465 being recognised in the Profit & Loss account on the deemed part-disposal of the Group's equity interest.

The Group also divested its interest in the Prague joint venture, Mosaic House Sro, during the year, resulting in a gain of £103,366 being recognised in the Profit & Loss account. Following this transaction, the Prague Bohemian Hostel, The Czech Inn, was rebranded as St Christopher's at The Czech Inn which has enabled the sales momentum to continue with a simple cost free commission income stream.

During the year, the 'fonds de commerce' (going concern) of the joint venture La Rotonde de la Villette SAS was sold to a Paris Brassiere operator. La Rotonde de la Villette SAS retains an investment in the new operating entity with on-going rights to dividends and share sale mechanism in 3 – 8 years. The directors fully impaired the balance of the investment value which is shown as a loss on disposal of former joint venture of £644,472 in the Profit & Loss account.

Beds & Bars Limited

STRATEGIC REPORT (continued)

For the year ended 29 March 2014

During the year and in the following year the Group reviewed its freehold property estate and the level of debt with a view to substantially reducing the debt burden. As a result it divested of the Oasis site in Borough High Street, London. We have retained a short term lease on this small property which represents a marginal 1% of the Group's bed stock. The gain on disposal recognised on the Profit & Loss account was £926,504. (Not included in Operating Profit or EBITDA).

In April 2014, an additional freehold disposal in Brighton UK was completed. The property was considered non-core in line with the Group's continued strategy to focus on European Capital cities.

In September 2014, a sale and leaseback of The Winston Hotel, Amsterdam was completed. This transaction considerably reduced the Group's gearing.

The effect of these sales, together with the scheduled debt repayments has been to reduce the bank debt level by £15 million and to considerably strengthen the Group's ability to look at future growth and development on a more sure footing.

One of the results of paying down this debt was that the existing facility with HBOS was substantially changed and that the remaining facility is now on an on-demand basis. The company is in the final stages of negotiating alternative facilities that are consistent with the improved debt and EBITDA profile.

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

During the financial year specific projects included a light refurbishment of the common areas in Edinburgh, replacement of all the UK coffee machines, the starting of a project to refurbish the bathrooms of the original Paris Canal site and the final roll out of the replacement of accommodation door security locks & systems.

We continued to invest heavily on improving the technology behind our booking engine with a complete rewrite of the core application programming interface (API). The key part of the API developments were improvements in order to boost speed of search results for the way in which beds are displayed as available or sold online as well as adding user data and user authentication features thus improving customer experience significantly.

Following the launch of the new API, St Christopher's Inns became one of the first independent hostels to successfully connect to TripAdvisor's TripConnect web services to display live availability of bed/rooms inventory on this key portal for customers to make a booking.

For 2014/2015 our primary technical objective is to launch St Christopher's iOS/Android app and update the design of St Christopher's website. The redesign of the St Christopher's website will improve support for mobile devices with key focus on making all pages accessible for mobile phone users and standardising the user journey.

These continuing improvements to the Group's bespoke booking platform and strong web presence, enables the Company to leverage the Group's customer base and drive new lines of income.

FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group uses a variety of financial instruments including cash, equity investments and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to provide working capital for the group's operations. The existence of these financial instruments exposes the group to a number of financial risks. The directors review and agree policies for managing each of these risks as summarised below:

MARKET RISK

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

CURRENCY RISK

The Group is exposed to translation and transaction foreign exchange risk. In relation to translation risk, as far as possible the assets held in the foreign currency are matched to an appropriate level of borrowings in the same

Beds & Bars Limited
STRATEGIC REPORT (continued)
For the year ended 29 March 2014

currency. The servicing of this borrowing then takes place from the foreign currency income streams associated with these assets.

LIQUIDITY RISK

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

INTEREST RATE RISK

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

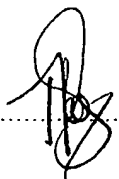
CREDIT RISK

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

KEY PERFORMANCE INDICATORS

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

On behalf of the board


.....
T Sykes
Director

22/12/17
.....
Date

Beds & Bars Limited
DIRECTORS' REPORT
For the year ended 29 March 2014

The directors present their report and the audited consolidated financial statements for the year ended 29 March 2014.

RESULTS AND DIVIDENDS

The Group's profit for the year, after tax and minority interest, was £1,503,779 (2013: £901,789 loss).

The directors do not recommend the payment of an ordinary dividend (2013: £Nil).

DIRECTORS

The following directors have held office since 31 March 2013:

K C Knowles
F J Knowles (deceased 7/11/14)
T R Sykes
A D Searle

On 7 November 2014, the Company's People Director, Franca Knowles, sadly passed away. Franca was one of the driving forces of the business and was also recognised for her outstanding work in the sector with a number of NITA awards, the 2010 title of Companion from the British Institute of Inn Keeping, and a 2013 induction into the Top 100 Club of The Most Influential Women in the Industry, at the Women 1st Shine Awards. Her work in devising the Beds and Bars Footsteps training scheme was the key catalyst in winning the Investors in People Gold Champion status.

EMPLOYEE INVOLVEMENT

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

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

DISABLED PERSONS

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

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

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

On behalf of the board


T Sykes
Director

22/12/14
Date

Beds and Bars Limited

DIRECTORS' RESPONSIBILITIES

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

In preparing those financial statements the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the group and parent company financial statements (the "financial statements") on pages 9 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As more fully explained in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 29 March 2014 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.

EMPHASIS OF MATTER

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the accounting policies note on page 14 of the financial statements concerning the Group's ability to continue as a going concern.

As explained in the accounting policy, the Group have repaid substantial bank debt post the year end which has resulted in the term loan becoming an on demand facility which is repayable by 31st March 2015. Advanced discussions are on-going with alternative lenders to re-bank the remaining loans. Whilst there can be no certainty that satisfactory terms will be reached by 31 March 2015, the directors are confident of a positive outcome as noted on page 14.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

OPINION ON OTHER MATTERS PRESCRIBED BY 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.

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

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; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



.....
PAUL NEWMAN (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

23/12/14

Beds & Bars Limited
CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 29 March 2014

	Notes	2014 £	2013 £
Turnover:			
Group and share of joint ventures	1	33,460,781	27,939,287
Less: Share of joint ventures' turnover	1	(1,161,647)	(1,890,113)
GROUP TURNOVER	1	32,299,134	26,049,174
Cost of sales		(6,143,189)	(5,264,685)
GROSS PROFIT		26,155,945	20,784,489
Other operating expenses (net)	2	(24,468,796)	(19,811,546)
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION, AMORTISATION & EXCEPTIONAL ITEMS			
		3,731,116	2,629,264
Depreciation		(1,929,198)	(1,628,542)
Amortisation		(29,201)	(27,779)
Exceptional item – bad debt write off (Prague)		(85,568)	-
GROUP OPERATING PROFIT		1,687,149	972,943
Share of operating loss of joint ventures		(222,807)	(586,515)
		1,464,342	386,428
Profit on sale of tangible fixed assets		926,504	-
Profit on disposal of interest in subsidiary undertaking		773,465	-
Profit on disposal of former joint venture interest		103,366	-
Loss on disposal of former joint venture interest		(644,472)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND INVESTMENT INCOME		2,623,205	386,428
Investment income	3	40,148	479
Interest payable and similar charges	4	(1,205,077)	(1,138,711)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	5	1,458,276	(751,804)
Tax on profit/(loss) on ordinary activities	8	136,475	(120,269)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		1,594,751	(872,073)
Attributable to minority interest		(90,972)	(29,716)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	18	1,503,779	(901,789)

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

Beds & Bars Limited

CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES

For the year ended 29 March 2014

	Notes	2014 £	2013 £
Profit/(loss) for the financial year	19	1,503,779	(901,789)
Currency translation loss	19	(169,600)	(120,389)
TOTAL RECOGNISED GAIN/(LOSS) RELATING TO THE YEAR AND SINCE LAST ANNUAL REPORT		1,334,179	(1,022,178)

Beds & Bars Limited
CONSOLIDATED BALANCE SHEET
As at 29 March 2014

Company registration number: 05500765

	Notes	2014 £	2013 £
FIXED ASSETS			
Positive goodwill	9	1,582,776	1,664,557
Negative goodwill	9	(342,491)	(358,059)
Investments	11	552,117	552,117
Intangible assets		1,792,402	1,858,615
Tangible assets	10	41,661,363	42,485,374
Investments in joint ventures			
Share of gross assets		723,453	398,101
Share of gross liabilities		(620,122)	(365,038)
	11	103,331	33,063
		43,557,096	44,377,052
CURRENT ASSETS			
Stocks	12	283,355	237,765
Debtors due within one year	13	2,944,658	2,571,407
Debtors due in more than one year	13	347,940	298,175
Cash at bank and in hand		2,077,585	683,175
		5,653,538	3,790,522
CREDITORS: amounts falling due within one year	14	(9,096,349)	(7,632,647)
NET CURRENT LIABILITIES		(3,442,811)	(3,842,125)
TOTAL ASSETS LESS CURRENT LIABILITIES		40,114,285	40,534,927
CREDITORS: amounts falling due after more than one year	15	(27,018,304)	(28,436,607)
PROVISIONS FOR LIABILITIES	16	(159,271)	(143,600)
Share of net liabilities in joint ventures			
Share of gross assets		7,820,913	8,220,153
Share of gross liabilities		(8,158,837)	(8,812,611)
	11	(337,924)	(592,458)
NET ASSETS		12,598,786	11,362,262
CAPITAL AND RESERVES			
Share capital	17	402,711	402,711
Share premium	18	1,967,783	1,967,783
Revaluation reserve	18	9,711,006	9,792,084
Profit and loss account	18	124,549	(1,034,015)
SHAREHOLDERS' FUNDS	19	12,206,049	11,128,563
ATTRIBUTABLE TO MINORITY INTERESTS		392,737	233,699
TOTAL CAPITAL EMPLOYED		12,598,786	11,362,262

The financial statements on pages 9 to 34 were approved by the board of directors and authorised for issue on 22/2/2015 and are signed on its behalf by:

T Sykes, Director

Beds & Bars Limited
COMPANY BALANCE SHEET
As at 29 March 2014

Company registration number: 05500765

	Notes	2014 £	2013 £
FIXED ASSETS			
Intangible assets	9	750,000	750,000
Tangible assets	10	18,311	21,247
Investments	11	4,135,269	4,597,997
		<hr/>	<hr/>
		4,903,580	5,369,244
CURRENT ASSETS			
Debtors due within one year	13	325,954	160,750
Debtors due in more than one year	13	18,690,292	17,155,322
Cash at bank and in hand		1,045,535	92,245
		<hr/>	<hr/>
		20,061,781	17,408,317
CREDITORS: amounts falling due within one year	14	(3,094,407)	(1,428,758)
		<hr/>	<hr/>
NET CURRENT ASSETS		16,967,374	15,979,559
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		21,870,954	21,348,803
CREDITORS: amounts falling due after more than one year	15	(21,910,619)	(20,304,821)
		<hr/>	<hr/>
NET (LIABILITIES)/ASSETS		(39,665)	1,043,982
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Share capital	17	402,711	402,711
Share premium	18	1,967,783	1,967,783
Profit and loss account – deficit	18	(2,410,159)	(1,326,512)
		<hr/>	<hr/>
SHAREHOLDERS' (DEFICIT)/FUNDS	19	(39,665)	1,043,982
		<hr/>	<hr/>

The financial statements on pages 9 to 34 were approved by the board of directors and authorised for issue on 22.12.14 and are signed on its behalf by:



 T Sykes, Director

Beds & Bars Limited
CONSOLIDATED CASH FLOW STATEMENT
For the year ended 29 March 2014

	Notes	2014 £	2013 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	20 a)	3,385,180	2,156,769
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Dividends paid		(256,693)	-
Interest received		40,148	479
Bank interest paid		(1,022,134)	(1,012,400)
Other interest paid		(176,599)	(121,368)
Hire purchase interest paid		(6,344)	(4,942)
Net cash outflow from returns on investments and servicing of finance		(1,421,622)	(1,138,231)
TAXATION			
Corporation tax received		1,830	-
Overseas tax paid		(134,437)	(77,652)
CAPITAL EXPENDITURE			
Payments to acquire intangible fixed assets		-	-
Payments to acquire tangible fixed assets		(2,595,505)	(3,643,125)
Proceeds on sale of tangible fixed assets		1,981,033	-
Net cash outflow for capital expenditure		(614,472)	(3,643,125)
ACQUISITIONS AND DISPOSALS			
Disposal of interest in joint ventures		164,341	-
Purchase of interest in investment		-	(552,117)
Net cash inflow/(outflow) for acquisitions and disposals		164,341	(552,117)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		1,380,820	(3,254,356)
FINANCING			
Issue of ordinary share capital to minority interest		843,384	-
New loans		1,680,984	3,224,656
Loan repayments		(2,592,862)	(1,458,439)
Hire purchase		(29,826)	803,272
Net cash (outflow)/inflow from financing		(98,320)	2,569,489
INCREASE/(DECREASE) IN CASH IN THE YEAR	20 b) 20 c)	1,282,500	(684,867)

Beds & Bars Limited

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

BASIS OF PREPARATION

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

The consolidated financial statements comprise those of the Group and its subsidiaries made up to 29 March 2014. Subsidiaries acquired during the year are consolidated using the acquisition method. The results of subsidiaries are included in the profit and loss account from the date of acquisition.

GOING CONCERN

The financial statements have been prepared on the going concern basis notwithstanding consolidated net current liabilities of £3,442,811.

The Group has seen strong growth in operating profit and cash flow during the period. As referred to in the Review of the Business on page 2, the Group has divested of two non-core UK freehold properties and as disclosed in note 25, completed a sale & leaseback on The Winston Hotel Amsterdam in September 2014.

These transactions have significantly reduced the Group's long term liabilities and will materially improve the EBITDA to debt ratio from approximately 10x to 4x by the end of March 2015. A consequence of paying down this debt is that the existing facility with HBOS has substantially changed and the remaining facility is now an on demand facility which is repayable by 31st March 2015. The company is in the final stages of negotiating alternative facilities that are consistent with the improved debt and EBITDA profile and would expect to complete these negotiations successfully in the first quarter of 2015.

The directors have prepared a detailed business plan including cash flow projections for the period through to 31 March 2017 which indicate that the Group will be profitable and cash generative in order to service the expected new bank facilities and other finance obligations.

Trading has continued to be strong and in line with forecasts during the period up the date of signing of these financial statements. However, as with any group placing reliance on future forecasts, the directors acknowledge that there can be no certainty that these will continue to be achieved although the current economic environment has improved during the year under review, reflecting in an increase in demand for the groups products and services.

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 and support to continue in operational existence for the foreseeable future.

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

CONSOLIDATION

The company has not presented its own profit and loss account as permitted by section 408 of the Companies Act 2006. The company's loss for the year was £1,292,544.

GOODWILL

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

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

Beds & Bars Limited

ACCOUNTING POLICIES

OTHER INTANGIBLE FIXED ASSETS

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

TANGIBLE FIXED ASSETS

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

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

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

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

STOCKS

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

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

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

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

TURNOVER

Turnover represents the total value, excluding Value Added Tax, of goods sold and services provided to external customers and is recognised when goods or services have been provided.

TRANSLATION OF FOREIGN CURRENCIES

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rates of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

The accounts of the overseas subsidiary undertakings are translated at the rates of exchange prevailing at the balance sheet date. Exchange differences arising on these translations are taken to reserves.

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

Beds & Bars Limited

ACCOUNTING POLICIES

INVESTMENTS

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

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

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

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

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is recognised in the Statement of Total Recognised Gains and Losses on revaluations where at the balance sheet date there is an agreement to sell the asset.

Deferred tax in respect of losses is only recognised when there is reasonable certainty that those losses will be utilised in the foreseeable future. Deferred tax is recognised in respect of losses of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

PENSIONS

The Group operates a defined contribution pension scheme for employees. The annual contributions are charged to the profit and loss account in the period to which they relate.

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 March 2014

1 SEGMENTAL REPORTING

Group turnover was split between geographical sectors as follows:

	Group	2014 Joint venture	Total
	£	£	£
United Kingdom	16,689,693	-	16,689,693
Europe	15,609,441	1,161,647	16,771,088
	<hr/>		
	32,299,134	1,161,647	33,460,781
	<hr/>		
	Group	2013 Joint venture	Total
	£	£	£
United Kingdom	14,774,367	-	14,774,367
Europe	11,274,807	1,890,113	13,164,920
	<hr/>		
	26,049,174	1,890,113	27,939,287
	<hr/>		

Further analysis of net assets and profit before taxation required by SSAP 25 has not been provided. Due to the structure of the group's operations and the central management of the group from the UK, this analysis is not considered to provide meaningful information.

2 OTHER OPERATING EXPENSES (net)

	2014 £	2013 £
Administrative expenses	25,816,589	21,283,804
Other operating income	(1,347,793)	(1,472,258)
	<hr/>	<hr/>
	24,468,796	19,811,546
	<hr/>	<hr/>

3 INVESTMENT INCOME

	2014 £	2013 £
Other interest receivable	40,148	479
	<hr/>	<hr/>

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 March 2014

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
On bank loans and overdrafts	1,022,134	1,012,400
Hire purchase interest	6,344	4,942
Other interest	176,599	121,369
	<hr/>	<hr/>
	1,205,077	1,138,711
	<hr/>	<hr/>

5 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2014 £	2013 £
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Amortisation of intangible assets	29,201	27,779
Depreciation of tangible assets		
Owned assets	1,891,822	1,426,473
Leased assets	37,376	202,068
(Profit)/loss on disposal of tangible assets	(4,496)	110,083
Operating lease rentals		
Land and buildings	1,020,558	1,142,435
Auditor's remuneration:		
Statutory audit of parent and consolidated accounts	25,000	25,000
Statutory audit of associates	30,000	35,000
	<hr/>	<hr/>

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 March 2014

6 EMPLOYEES

	2014 Number	2013 Number
The average monthly number of persons (including directors) employed by the group during the year was:		
Management	43	44
Operational staff	408	441
Administration	42	53
	<u>493</u>	<u>538</u>
	2014 £	2013 £
Staff costs for the above persons:		
Wages and salaries	9,064,465	9,993,803
Social security costs	1,246,216	1,022,345
Pension contributions	1,897	-
	<u>10,312,578</u>	<u>11,016,148</u>

7 DIRECTORS' EMOLUMENTS

	2014 £	2013 £
Emoluments for qualifying services	<u>807,785</u>	<u>747,625</u>
Emoluments disclosed above include the following amounts paid to the highest paid director		
	2014 £	2013 £
Emoluments for qualifying services	<u>457,052</u>	<u>351,885</u>
Number of directors accruing pension benefits	<u>Nil</u>	<u>Nil</u>

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 March 2014

8	TAXATION	2014 £	2013 £
	UK CORPORATION TAX		
	Current tax on results for the year	-	-
	FOREIGN TAX		
	Current tax on results for the year	97,122	78,986
	Adjustments in respect of prior periods	(249,268)	-
	CURRENT TAX CHARGE	(152,146)	78,986
	DEFERRED TAX		
	Deferred tax charge in current year	15,671	41,283
	Tax on profit/(loss) on ordinary activities	(136,475)	120,269
	FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR		
	The tax assessed for the year is higher than the standard rate of corporation tax of 23% as explained below:		
	Profit/(loss) on ordinary activities before taxation	1,458,276	(751,804)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23% (2013: 24%)	335,403	(180,432)
	Effects of:		
	Capital gains losses utilised	(166,408)	-
	Expenses not deductible for tax purposes	221,786	16,607
	Differences between depreciation and capital allowances	(106,884)	142,282
	Tax losses utilised	(15,015)	(50,202)
	Different rate of tax on overseas earnings	5,239	232,568
	Other tax adjustments	898	(81,837)
	Income not taxable	(177,897)	-
	Adjustments in respect of prior periods	(249,268)	-
		(487,549)	259,418
	Group tax (credit)/charge for the current year	(152,146)	78,986

Interpub Limited has tax losses available to carry forward against future trading profits of £1,588,408 (2013: £2,079,953).

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 March 2014

9 INTANGIBLE FIXED ASSETS

	GROUP		COMPANY
	Positive goodwill £	Negative goodwill £	Intellectual Property £
COST			
As at 31 March 2013	1,989,629	(467,036)	750,000
Exchange variances	(43,027)	-	-
	<hr/>		<hr/>
As at 29 March 2014	1,946,602	(467,036)	750,000
	<hr/>		<hr/>
AMORTISATION			
As at 31 March 2013	325,072	(108,977)	-
Charge for the year	44,769	(15,568)	-
Exchange variances	(6,015)	-	-
	<hr/>		<hr/>
As at 29 March 2014	363,826	(124,545)	-
	<hr/>		<hr/>
NET BOOK VALUE			
As at 29 March 2014	1,582,776	(342,491)	750,000
	<hr/>		<hr/>
As at 30 March 2013	1,664,557	(358,059)	750,000
	<hr/>		<hr/>

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 March 2014

10 TANGIBLE FIXED ASSETS

GROUP	Land and buildings freehold	Land and buildings leasehold	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
COST OR VALUATION					
As at 31 March 2013	28,781,757	12,779,753	10,506,728	123,804	52,192,042
Additions	-	169,368	2,384,164	-	2,553,532
Disposals	(1,073,857)	-	(304,955)	(36,265)	(1,415,077)
Exchange variances	(286,984)	(113,699)	(99,478)	-	(500,161)
As at 29 March 2014	27,420,916	12,835,422	12,486,459	87,539	52,830,336
DEPRECIATION					
As at 31 March 2013	158,243	4,351,523	5,140,517	56,385	9,706,668
Charge for the year	113,630	320,422	1,466,945	28,201	1,929,198
Disposals	(32,890)	-	(305,749)	(27,199)	(365,838)
Exchange variances	-	(34,036)	(67,019)	-	(101,055)
As at 29 March 2014	238,983	4,637,909	6,234,694	57,387	11,168,973
NET BOOK VALUE					
As at 29 March 2014	27,181,933	8,197,513	6,251,765	30,152	41,661,363
As at 30 March 2013	28,623,514	8,428,230	5,366,211	67,419	42,485,374

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

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

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 March 2014

10 TANGIBLE FIXED ASSETS (continued)

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

	2014 £
COST	
As at 31 March 2013	18,391,873
Disposals	(1,014,716)
	<hr/> 17,377,157
DEPRECIATION BASED ON COST	
As at 31 March 2013	92,178
On disposals	(31,079)
Charge for the year	90,827
	<hr/> 151,926
NET BOOK VALUE	
As at 29 March 2014	<hr/> 17,225,231
As at 30 March 2013	<hr/> 18,299,695

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

	Motor vehicles £	Total £
NET BOOK VALUE		
As at 29 March 2014	30,043	30,043
	<hr/>	<hr/>
As at 30 March 2013	67,419	67,419
	<hr/>	<hr/>

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 March 2014

10 TANGIBLE FIXED ASSETS (continued)

COMPANY	Fixtures, fittings and equipment £
COST	
As at 31 March 2013	161,237
Additions	6,036
	<hr/>
As at 29 March 2014	167,273
	<hr/>
DEPRECIATION	
As at 31 March 2013	139,990
Charge for the year	8,972
	<hr/>
As at 29 March 2014	148,962
	<hr/>
NET BOOK VALUE	
As at 29 March 2014	18,311
	<hr/>
As at 30 March 2013	21,247
	<hr/>

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 March 2014

11 INVESTMENTS

GROUP	Investments less than 20% £	Investments in joint ventures £	Total £
COST OR VALUATION			
As at 31 March 2013	552,117	(559,395)	(7,278)
Additions	-	1,245,262	1,245,262
Disposals	-	(65,270)	(65,270)
Exchange variances	-	12,089	12,089
Share of retained loss for the year	-	(222,807)	(222,807)
As at 29 March 2014	552,117	409,879	961,996
PROVISIONS FOR IMPAIRMENT			
Charge for the year	-	(644,472)	(644,472)
As at 29 March 2014	-	(644,472)	(644,472)
NET BOOK VALUE			
As at 29 March 2014	552,117	(234,593)	317,524
As at 30 March 2013	552,117	(559,395)	(7,278)
PRESENTED AS:			
Investments	552,117	-	552,117
Investments in joint ventures	-	103,331	103,331
Share of net liabilities in joint ventures	-	(337,924)	(337,924)
	552,117	(234,593)	317,524

COMPANY

	Investments less than 20% £	Investments in joint ventures £	Investments in subsidiary undertakings £	Total £
COST				
As at 31 March 2013	552,117	535,900	3,509,980	4,597,997
Additions	-	1,245,262	-	1,245,262
Disposals	-	(369,277)	(70,000)	(439,277)
Exchange variances	-	(3,773)	(19,678)	(23,451)
As at 29 March 2014	552,117	1,408,112	3,420,302	5,380,531
PROVISIONS FOR IMPAIRMENT				
At 31 March 2013	-	-	-	-
Charge for the year	-	(1,245,262)	-	(1,245,262)
As at 29 March 2014	-	(1,245,262)	-	(1,245,262)
NET BOOK VALUE				
As at 29 March 2014	552,117	162,850	3,420,302	4,135,269
As at 30 March 2013	552,117	535,900	3,439,980	4,597,997

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 March 2014

11 INVESTMENTS (continued)

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

Interest in subsidiary undertakings

Entity	Shareholding		Country	Activity
Interpub Limited	Ordinary	100%	England	Licence public houses with ancillary budget accommodation
St Christopher's Holdings Limited	Ordinary	100%	England	Dormant holding company
St Christopher's (Amsterdam) BV	Ordinary	100%	Netherlands	Licence public houses with ancillary budget accommodation
St Christopher's (Bruges) BV	Ordinary	90%	Belgium	Licence public houses with ancillary budget accommodation
St Christopher's (Berlin) GmbH	Ordinary	100%	Germany	Licence public houses with ancillary budget accommodation
St Christopher's (Paris) sas	Ordinary	73%	France	Licence public houses with ancillary budget accommodation
Interpub Solutions Limited (i)	Ordinary	100%	England	Dormant
St Christopher's Inns Limited (ii)	Ordinary	100%	England	Property holding company
St Christopher's (Orient) Limited (ii)	Ordinary	75%	England	Property holding company
Crossgate NV (iii)	Ordinary	100%	Belgium	Licence public houses with ancillary budget accommodation
Hotel Winston BV (iv)	Ordinary	100%	Netherlands	Licence public houses with ancillary budget accommodation
Winston Kingdom BV (iv)	Ordinary	100%	Netherlands	Nightclub
Gare du Nord sas (v)	Ordinary	100%	France	Licence public houses with ancillary budget accommodation

Sub-subsidiaries are owned by:

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

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 March 2014

11 INVESTMENTS (continued)

Interest in joint ventures

Entity	Shareholding	Country	Activity
Litera y Bares Sl	Ordinary 40%	Spain	Licence public houses with ancillary budget accommodation
La Rotonde de la Villette SAS	Ordinary 25%	France	Licensed bar and restaurant

The capital and reserves and result for the year ended 29 March for joint ventures where the group holds more than 20% of the share capital were as follows:

Entity	Capital and reserves £	Loss for the year £
Literas y Bares Sl	(844,811)	(365,445)
La Rotonde de la Villette SAS	(1,989,835)	(435,345)

The Group sold its interest in Mosaic House s.r.o. on 7 August 2013 for a total consideration £342,000.

As shareholders of Literas y Bares SL the Company currently guarantees the joint venture bank commitments up to a maximum of €1,872,512. As at the balance sheet date Literas y Bares SL are in progressed negotiations to transact a sale and leaseback agreement on the joint venture's property. This will release the Company's guarantee, being replaced with a standard lease commitment.

During the year the 'fonds de commerce' (going concern) of the joint venture La Rotonde de la Villette SAS was sold to a Paris Brassiere operator. La Rotonde de la Villette SAS retains an investment in the new operating entity with on-going rights to dividends and share sale mechanism in 3 – 8 years. This interest will be classed as an investment in the future given the Company no longer has any influence over the operating activities of the new entity.

12 STOCKS

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Finished goods for resale	283,355	237,765	-	-

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 March 2014

13 DEBTORS

Due within one year:	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Trade debtors	72,458	141,163	-	-
Other debtors	1,356,423	1,883,821	-	-
Corporation tax	177,606	-	-	-
Prepayments and accrued income	1,338,171	546,423	325,954	160,750
	2,944,658	2,571,407	325,954	160,750

Due in more than one year:	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Amounts owed by group companies	-	-	17,748,627	16,025,354
Other debtors	347,940	298,175	941,665	1,129,968
	347,940	298,175	18,690,292	17,155,322

14 CREDITORS: Amounts falling due within one year

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Bank loans and overdrafts	3,339,234	2,338,001	1,959,163	1,141,339
Obligations under finance leases	38,316	34,439	-	-
Other loans	9,256	101,958	-	38,869
Trade creditors	2,553,018	2,153,478	-	10,280
Tax and social security	944,236	972,052	-	724
Corporation tax	-	109,675	-	-
Other creditors	258,046	276,398	1,017,508	(141)
Accruals and deferred income	1,954,243	1,646,646	117,736	237,687
	9,096,349	7,632,647	3,094,407	1,428,758

The bank loans and overdrafts of £25,280,475 (2013: £27,638,104) disclosed above and in note 15 are secured over the freehold and leasehold properties of the group and by the assignment of a life assurance policy on the life of KC Knowles, a director.

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 March 2014

15 CREDITORS: Amounts falling due after more than one year

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Preference shares	2,500	2,500	2,500	2,500
Bank loans	21,941,241	25,300,103	10,108,229	12,027,341
Obligations under finance leases	792,557	844,050	-	-
Other loans	3,271,649	1,977,350	500,000	500,000
Amounts owed to group companies	-	-	11,299,890	7,447,723
Other creditors	1,010,357	312,604	-	327,257
	<u>27,018,304</u>	<u>28,436,607</u>	<u>21,910,619</u>	<u>20,304,821</u>

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Bank loan maturity analysis:				
In more than one year but not more than two years	2,767,243	1,440,284	2,043,482	580,264
In more than two years but not more than five years	14,543,209	18,176,688	8,064,747	11,447,077
In more than five years	4,630,789	5,683,131	-	-

	Group 2014 £	Group 2013 £
Obligations under finance leases :		
Repayable within one year	38,316	34,439
Repayable between two and five years	792,557	844,050
	<u>830,873</u>	<u>878,489</u>
Included in current liabilities	(38,316)	(34,439)
	<u>792,557</u>	<u>844,050</u>

The Euro bank loan totalling £12,067,393 (2013: £13,093,060) was renegotiated on 17 April 2012 and the remaining quarterly instalments are repayable in amounts of €378,000 to 31 March 2014, €498,000 to 31 March 2015 and €618,000 to 31 March 2017 with all outstanding amounts repayable on 17 April 2017. Interest is payable at 3.4% + EURIBOR.

The Sterling bank loan totalling £4,254,423 (2013: £4,504,423) was renegotiated on 17 April 2012 and is repayable in full on 17 April 2017. Interest is payable at 3.4% + LIBOR.

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 March 2014

16 PROVISIONS FOR LIABILITIES

GROUP	Deferred tax £
As at 31 March 2013	143,600
Profit and loss account	15,671
	<hr/>
As at 29 March 2014	159,271
	<hr/>

The above liability is in relation to accelerated capital allowances.

A deferred tax asset of £478,389 (2013: £478,389) in respect of UK trading losses carried forward has not been recognised in these financial statements due to uncertainty as to the timing of when these will be utilised.

17 SHARE CAPITAL

	2014 £	2013 £
ALLOTTED, CALLED UP AND FULLY PAID		
Ordinary shares of £1 each	402,711	402,711
"B" 5% Fixed non-cumulative preference shares £1	2,500	2,500
	<hr/>	<hr/>
	405,211	405,211
	<hr/>	<hr/>
EQUITY		
Ordinary shares of £1 each	402,711	402,711
	<hr/>	<hr/>
SHARES CLASSIFIED AS FINANCIAL LIABILITIES		
"B" 5% Fixed non-cumulative preference shares £1	2,500	2,500
	<hr/>	<hr/>

Preference shares are classified as liabilities under FRS25 and are included in creditors falling due in more than one year.

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 March 2014

18 RESERVES

GROUP	Profit and loss account £	Revaluation reserve £	Share premium £	Total £
As at 31 March 2013	(1,034,015)	9,792,084	1,967,783	10,725,852
Retained profit for the year	1,503,779	-	-	1,503,779
Realised on disposal	59,141	(59,141)	-	-
Transfer	21,937	(21,937)	-	-
Dividends paid	(256,693)	-	-	(256,693)
Exchange differences	(169,600)	-	-	(169,500)
As at 29 March 2014	124,549	9,711,006	1,967,783	11,803,438

The transfer is due to excess depreciation on revalued fixed assets compared to deprecation on historic cost.

COMPANY	Profit and loss account £	Revaluation reserve £	Share premium £	Total £
As at 31 March 2013	(1,326,512)	-	1,967,783	641,271
Retained loss for the year	(1,292,544)	-	-	(1,292,544)
Exchange differences	208,897	-	-	208,897
As at 29 March 2014	(2,410,159)	-	1,967,783	(442,376)

19 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Profit/(loss) for the financial year	1,503,779	(901,789)	(1,292,544)	118,767
Dividends	(256,693)	-	-	-
Exchange differences	(169,600)	(120,389)	208,897	(429,614)
Opening shareholders' funds	11,128,563	12,150,741	1,043,982	1,354,829
Closing shareholders' funds/(deficit)	12,206,049	11,128,563	(39,665)	1,043,982

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 March 2014

20 CASH FLOWS

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

	2014 £	2013 £
Operating profit	1,687,149	927,984
Depreciation	1,929,198	1,628,541
Amortisation of goodwill	29,201	27,778
(Profit)/loss on disposal of tangible fixed assets	(4,496)	110,083
Increase in stocks	(47,950)	(21,634)
Increase in debtors	(1,384,282)	(1,173,784)
Decrease in creditors	1,250,202	802,272
Exchange rate movements	(73,842)	(144,471)
	<u>3,385,180</u>	<u>2,156,769</u>

b) ANALYSIS OF NET DEBT

	As at 31 March 2013 £	Cash flow £	Other non-cash changes £	As at 29 March 2014 £
Cash in bank and in hand	683,175	1,404,940	(10,530)	2,077,585
Overdrafts	(665,394)	(122,440)	-	(787,834)
	<u>17,781</u>	<u>1,282,500</u>	<u>(10,530)</u>	<u>1,289,751</u>
Debt due within one year	(1,809,004)	846,715	(1,636,683)	(2,598,972)
Debt due after one year	(28,124,003)	94,988	2,021,068	(26,007,947)
	<u>(29,933,007)</u>	<u>941,703</u>	<u>384,385</u>	<u>(28,606,919)</u>
Net debt	<u>(29,915,226)</u>	<u>2,224,203</u>	<u>373,855</u>	<u>(27,317,168)</u>

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

	2014 £	2013 £
Increase/(decrease) in cash in the year	1,282,500	(684,867)
Cash outflow/(inflow) from reduction in net debt	941,703	(2,569,489)
Other non-cash changes	373,855	(189,756)
	<u>2,598,058</u>	<u>(3,441,612)</u>
Movement in net debt in the year	<u>(29,915,226)</u>	<u>(26,471,114)</u>
Closing net debt	<u>(27,317,168)</u>	<u>(29,915,226)</u>

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 March 2014

21 COMMITMENTS UNDER OPERATING LEASES

As at 29 March 2014 the group was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2015:

	Land and buildings	
	2014	2013
	£	£
Operating leases which expire:		
In over five years	1,719,500	1,807,000
	<hr/>	<hr/>
	1,719,500	1,807,000
	<hr/>	<hr/>

22 CONTINGENT LIABILITIES

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

23 RELATED PARTY TRANSACTIONS

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

During the year the group paid rent to Mr K C Knowles, a director, totalling £42,000 (2013: £42,000). At year end there were no amounts outstanding.

During the year costs were incurred on behalf of and recharged to the Flying Pigs UK Ltd, totalling £1,200,000 (2013: £889,000), a group in which Mr K C Knowles & Mr T Sykes are both shareholders and directors and in which the group has a 13% interest. At the year end the Flying Pigs UK Ltd owed £213,460 (2013: £289,079) to the group.

During the year costs of £63,918 (2013: £55,538) were incurred on behalf of and re-charged to Mosaic House SRO, a joint venture in which the group owned 45% of the share capital up until 7th August 2013 when its interest was sold. At the year-end Mosaic House SRO owed £nil (2013: £336,425) to the group.

During the year costs of £nil (2013: £29,199) were incurred on behalf of and recharged to La Rotonde, a joint venture in which the group owns 25% of the share capital. At the year-end La Rotonde owed £nil (2013: £270,544) to the group.

All transactions were carried out on normal commercial terms.

24 CAPITAL COMMITMENTS

At 29 March 2014 the group had capital commitments contracted for but not provided for in the financial statements of £nil (2013 £1,023,424).

Beds & Bars Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 March 2014

25 POST BALANCE SHEET EVENTS

In April 2014 the Group disposed of the Brighton site, a freehold property mortgaged with HSBC Bank. The net proceeds of £2,265,925 were used to satisfy the outstanding mortgage with HSBC and partially repay Bank of Scotland loans.

In September 2014 the Group completed a sale & leaseback of The Winston Hotel, Amsterdam. The Group has taken an initial 15 year lease, the net proceeds of €10,785,000 from the sale being used to partially repay Bank of Scotland loans.