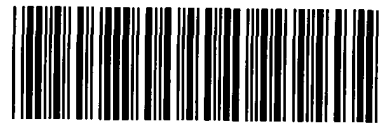


**Company Registration No. 05500765 (England and Wales)**

**BEDS & BARS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2018**

MONDAY



LD2 \*L7H2VUBN\* #49  
22/10/2018  
COMPANIES HOUSE

# **BEDS & BARS LIMITED**

## **COMPANY INFORMATION**

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

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# **BEDS & BARS LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2018**

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The directors present the strategic report for the year ended 31 March 2018.

#### **Principal activity**

The company's principal activity is the provision of management services, being head office central support, to the wider Beds & Bars group.

#### **Fair review of the business**

The company continued to operate as a central service company and the directors continue to monitor its central costs and transfer pricing policy to ensure the fair treatment.

#### **Business risk**

Beds & Bars Limited acts as a service company for the wider group and therefore the main business risk relates to the continuing success of the wider Beds & Bars group.

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 guest base who look for a shared experience at a competitive price point. Beds & Bars has at its core an understanding of the needs of its guests and is focused 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 and maintaining Investors in People Platinum status, one of only 7 companies in the UK to do so.

The so called Brexit continues to be an unknown. However, with our pan-European guest offering we are as well placed as any to manage any political or economic changes that may take place.

#### **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 entity and looks to go beyond the traditional role of preventing harm. The H&S Strategy commits the entity 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 company 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 company continually reviews and upgrades its defenses 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.

The company has gone through significant review and corrective measures to ensure the data security of its stakeholders in the wake of recent GDPR regulation. Directors are very pleased with the progress.

#### **Financial risk management objectives and policies**

The main risk arising from the company's financial instruments is foreign currency risk. The directors review and agree policies for managing this risk and this is summarised below. The policy has remained unchanged from previous periods.

#### **Foreign currency risk**

The company has a number of foreign currency balances with group entities within the Beds & Bars group. These are settled in local currency and so the company is exposed to fluctuations in the foreign exchange rates. Directors monitor these and take steps to hedge exposures as necessary.

## BEDS & BARS LIMITED

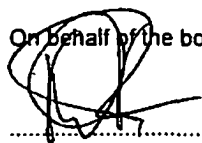
### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

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#### Key performance indicators

The board use a number of indicators to track the performance of the trading subsidiaries of the wider Beds & Bars group (KPIs). There are no specific KPIs associated with Beds & Bars Limited as a service company.

On behalf of the board



Mr K C Knowles

Director

Date: 18/10/18

# **BEDS & BARS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2018**

---

The directors present their annual report and financial statements for the year ended 31 March 2018.

#### **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 C Knowles

Mr M C Roberts

#### **Results and dividends**

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Auditor**

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

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### **Strategic Report**

The directors have chosen in accordance with section 414C(11) of the Companies Act 2006 to include in the Strategic Report matters otherwise required to be disclosed in the Directors' report as the directors consider these are of strategic importance to the company.

## **BEDS & BARS LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2018**

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##### **Going concern**

The financial statements have been prepared on the going concern.

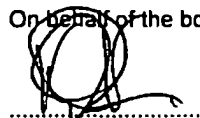
The company is a member of the Beds & Bars Group. The group is financed by long term funding of £11 million from HSBC (drawn down on 31 March 2015) with further facilities of £500k drawn down in May 2016 and £4.2 million drawn down in December 2016. The covenants attached to these facilities are considered 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 2019 which indicate that the group will meet the covenant requirements.

Having considered potential risks and the current economic environment, the directors have a reasonable expectation that the group and company 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.

On behalf of the board



.....  
Mr K C Knowles

Director

Date: 18/10/18.....

## **BEDS & BARS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

#### **FOR THE YEAR ENDED 31 MARCH 2018**

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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 company and of the profit or loss of the company 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 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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### **Opinion**

We have audited the financial statements of Beds & Bars Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEDS & BARS LIMITED (CONTINUED)**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

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  
12/10/18

## BEDS & BARS LIMITED

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

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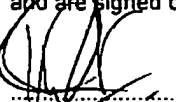
	Notes	2018 £	2017 £
Turnover	3	128,486	179,648
Administrative expenses		(579,273)	(1,583,148)
Operating loss	5	(450,787)	(1,403,500)
Interest receivable and similar income	6	208,333	111,563
Interest payable and similar expenses	7	(71,350)	(19,010)
Loss before taxation		(313,804)	(1,310,947)
Tax on loss	8	(165,214)	(34,369)
Loss for the financial year		(479,018)	(1,345,316)

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**BEDS & BARS LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2018**

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	9	600,000	637,500
Tangible assets	10	55,022	56,486
Investments	11	2,342,684	2,342,684
		<u>2,997,706</u>	<u>3,036,670</u>
<b>Current assets</b>			
Debtors falling due after more than one year	13	30,398,315	24,882,981
Debtors falling due within one year	13	353,546	560,843
Cash at bank and in hand		766,090	198,448
		<u>31,517,951</u>	<u>25,642,272</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(34,998,887)</u>	<u>(28,664,318)</u>
<b>Net current liabilities</b>		<u>(3,480,936)</u>	<u>(3,022,046)</u>
<b>Total assets less current liabilities</b>		<u>(483,230)</u>	<u>14,624</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(52,895)	(71,731)
<b>Net liabilities</b>		<u>(536,125)</u>	<u>(57,107)</u>
<b>Capital and reserves</b>			
Called up share capital	18	339,843	339,843
Share premium account	19	1,653,899	1,653,899
Profit and loss reserves	19	(2,529,867)	(2,050,849)
<b>Total equity</b>		<u>(536,125)</u>	<u>(57,107)</u>

The financial statements were approved by the board of directors and authorised for issue on 18/10/18 and are signed on its behalf by:

  
Mr K C Knowles  
Director

## BEDS & BARS LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 April 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	313,884	(313,884)	-	-
Reduction of shares	(376,752)	-	376,752	-
<b>Balance at 1 April 2017</b>	339,843	1,653,899	(2,050,849)	(57,107)
<b>Year ended 31 March 2018:</b>				
Loss and total comprehensive income for the year	-	-	(479,018)	(479,018)
<b>Balance at 31 March 2018</b>	339,843	1,653,899	(2,529,867)	(536,125)

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

---

### 1 Accounting policies

#### Company information

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

The company'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. The principal accounting policies adopted are set out below.

Beds & Bars Limited has taken advantage of the following disclosure exemptions:

- The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv).
- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- The requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A providing the equivalent disclosures required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.
- The requirement of Section 33 Related Party Disclosures paragraph 33.7.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Beds & Bars Limited is a wholly owned subsidiary of Beds & Bars Group Limited and the results of Beds & Bars Limited are included in the consolidated financial statements of Beds & Bars Group Limited which are available from 1d Colet Gardens, Hammersmith, London, United Kingdom, W14 9DH.

#### Going concern

The financial statements have been prepared on the going concern.

The company is a member of the Beds & Bars Group. The group is financed by long term funding of £11 million from HSBC (drawn down on 31 March 2015) with further facilities of £500k drawn down in May 2016 and £4.2 million drawn down in December 2016. The covenants attached to these facilities 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 2019 which indicate that the group will meet the covenant requirements.

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

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

# **BEDS & BARS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018**

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

#### **Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for 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 contracts for the provision of professional services 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, revenue is recognised only to the extent of the expenses recognised that are recoverable.

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 other than goodwill**

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

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

Patents and licences	20 years
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#### **Tangible fixed assets**

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

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

Fixtures and fittings	Over 5 or 10 years depending on the useful life of the assets
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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.

#### **Fixed asset investments**

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 company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# **BEDS & BARS LIMITED**

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

### **FOR THE YEAR ENDED 31 MARCH 2018**

---

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

##### **Impairment of fixed assets**

At each reporting period end date, the company 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.

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.

##### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

##### **Financial instruments**

The company 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 company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 measured at the present value of the future receipts discounted at a market rate of interest.

##### **Other financial assets**

Other financial assets, including trade investments, 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 publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

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### 1 Accounting policies (Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***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 company 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 measured at the present value of the future payments discounted at a market rate of interest.

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

#### ***Other financial liabilities***

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

Debt instruments where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, 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.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.



# **BEDS & BARS LIMITED**

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

### **FOR THE YEAR ENDED 31 MARCH 2018**

---

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

##### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs.

##### **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 period.

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 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.

##### **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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **Foreign exchange**

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

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

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

## BEDS & BARS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2018

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

#### 3 Turnover and other revenue

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

	2018 £	2017 £
<b>Turnover analysed by class of business</b>		
Sales of accommodation and ancillary services	128,486	179,648
	<u>          </u>	<u>          </u>
	2018 £	2017 £
<b>Other revenue</b>		
Income from shares in group undertakings	208,333	111,563
	<u>          </u>	<u>          </u>
	2018 £	2017 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	128,486	179,648
	<u>          </u>	<u>          </u>

#### 4 Employees

During the current and previous accounting period the company had no employees. The directors were employed by other entities in the group and did not receive remuneration directly in respect of their services as directors of the company.

#### 5 Operating loss

	2018 £	2017 £
Operating loss for the year is stated after charging:		
Exchange losses	232,428	194,426
Depreciation of owned tangible fixed assets	18,649	17,483
Amortisation of intangible assets	37,500	37,500
	<u>          </u>	<u>          </u>

During the current and prior years the fee for the company's audit was incurred by Interpub Limited, a subsidiary company.

# **BEDS & BARS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018**

### **6 Interest receivable and similar income**

	2018 £	2017 £
<b>Income from fixed asset investments</b>		
Income from shares in group undertakings	208,333	111,563

### **7 Interest payable and similar expenses**

	2018 £	2017 £
Interest on bank overdrafts and loans	3,596	7,360
Interest payable to group undertakings	8,196	(43,549)
Other interest	59,558	55,199
	<u>71,350</u>	<u>19,010</u>

### **8 Taxation**

	2018 £	2017 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	(41,457)	(7,004)
Changes in tax rates	4,363	30,479
Adjustment in respect of prior periods	202,308	10,894
	<u>165,214</u>	<u>34,369</u>

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

	2018 £	2017 £
Loss before taxation	<u>(313,804)</u>	<u>(1,310,947)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	(59,623)	(262,189)
Tax effect of expenses that are not deductible in determining taxable profit	50,107	67,141
Tax effect of income not taxable in determining taxable profit	(39,583)	(22,313)
Effect of change in corporation tax rate	4,363	30,479
Group relief	-	124,477
Other permanent differences	7,642	4,649
Deferred tax adjustments in respect of prior years	202,308	10,894
Deferred tax not recognised	-	81,231
	<u>165,214</u>	<u>34,369</u>

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 8 Taxation (Continued)

The UK Corporation Tax rate reduced from 20% to 19% from 1 April 2017 and a further reduction to 17% (effective from 1 April 2020) has been substantively enacted at the year end date. These changes will affect the company's future current tax charge accordingly.

#### 9 Intangible fixed assets

	Patents and licences £
<b>Cost</b>	
At 2 April 2017 and 31 March 2018	750,000
<b>Amortisation and impairment</b>	
At 2 April 2017	112,500
Amortisation charged for the year	37,500
At 31 March 2018	150,000
<b>Carrying amount</b>	
At 31 March 2018	600,000
At 1 April 2017	637,500

#### 10 Tangible fixed assets

	Fixtures and fittings £
<b>Cost</b>	
At 2 April 2017	243,747
Additions	17,185
At 31 March 2018	260,932
<b>Depreciation and impairment</b>	
At 2 April 2017	187,261
Depreciation charged in the year	18,649
At 31 March 2018	205,910
<b>Carrying amount</b>	
At 31 March 2018	55,022
At 1 April 2017	56,486

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 11 Fixed asset investments

	Notes	2018 £	2017 £
Investments in subsidiaries	12	2,251,183	2,251,183
Investments less than 20%		91,501	91,501
		<u>2,342,684</u>	<u>2,342,684</u>

#### Financial assets for which fair value cannot be measured reliably

The company holds 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.

#### Movements in fixed asset investments

	Investments in subsidiaries £	Investments less than 20% £	Total £
<b>Cost or valuation</b>			
At 2 April 2017 & 31 March 2018	<u>2,251,183</u>	<u>1,336,763</u>	<u>3,587,946</u>
<b>Impairment</b>			
At 2 April 2017 & 31 March 2018	<u>-</u>	<u>1,245,262</u>	<u>1,245,262</u>
<b>Carrying amount</b>			
At 31 March 2018	<u>2,251,183</u>	<u>91,501</u>	<u>2,342,684</u>
At 1 April 2017	<u>2,251,183</u>	<u>91,501</u>	<u>2,342,684</u>

## BEDS & BARS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

#### 12 Subsidiaries

Details of the company's subsidiaries at 31 March 2018 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 ancillary 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 ancillary budget accommodation	Ordinary		100.00
St Christopher's (Bruges) BV	c)	Licence public houses with ancillary budget accommodation	Ordinary	90.00	
St Christopher's (Berlin) GmbH	d)	Licence public houses with ancillary 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)	Dormant**	Ordinary		75.00
Crossgate BV	c)	Licence public houses with ancillary budget accommodation	Ordinary		90.00
Hotel Winston BV	b)	Licence public houses with ancillary budget accommodation	Ordinary		100.00
Winston Kingdom BV	e)	Nightclub	Ordinary		100.00
St Christopher's (Paris) sas	f)	Licence public houses with ancillary budget accommodation	Ordinary	73.00	
Litera y Bares SL	g)	Licence public houses with ancillary budget accommodation	Ordinary	50.00	
Beds and Bars Franchise Ltd	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 ancillary budget accommodation	Ordinary		13.00
Flying Pig Uptown BV	h)	Licence public houses with ancillary budget accommodation	Ordinary		13.00
Beds & Bars (UK) Limited	a)	Dormant	Ordinary	100.00	

## BEDS & BARS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

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#### 12 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. Insituto Obrero 20, zip code/CP: 46013, Valencia, Spain.
- h) Nieuwendijk 100, 1012 MR Amsterdam, Netherlands.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Beds & Bars Limited is a wholly owned subsidiary of Beds & Bars Group Limited and the results of Beds & Bars Limited are included in the consolidated financial statements of Beds & Bars Group Limited which are available from 1D Colet Gardens, Hammersmith, London, W14 9DH.

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.

\*Interpub Solutions Limited was dissolved on 5 June 2018.

\*\*St Christopher's (Orient) Limited was dissolved on 28 August 2018.

#### 13 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Other debtors	619	43,145
Prepayments and accrued income	11,911	11,468
	<hr/>	<hr/>
	12,530	54,613
Deferred tax asset (note 17)	341,016	506,230
	<hr/>	<hr/>
	353,546	560,843
	<hr/>	<hr/>

# **BEDS & BARS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018**

### **13 Debtors (Continued)**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	30,395,378	24,872,562
Other debtors	2,937	10,419
	<u>30,398,315</u>	<u>24,882,981</u>
<b>Total debtors</b>	<u>30,751,861</u>	<u>25,443,824</u>

### **14 Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
	<b>Notes</b>	
Other borrowings	16	26,292
Amounts due to group undertakings		523,077
Other taxation and social security		34,313,847
Other creditors		27,339,916
Accruals and deferred income		-
		25,668
		37,624
		266,035
		621,124
		509,622
		<u>34,998,887</u>
		<u>28,664,318</u>

Amounts due to group undertakings are repayable on demand and are non-interest bearing.

### **15 Creditors: amounts falling due after more than one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
	<b>Notes</b>	
Other borrowings	16	52,895
		<u>71,731</u>

### **16 Borrowings**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Preference shares	2,500	2,500
Other loans	76,687	592,308
	<u>79,187</u>	<u>594,808</u>
Payable within one year	26,292	523,077
Payable after one year	52,895	71,731



## BEDS & BARS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2018

#### 16 Borrowings (Continued)

##### Other loans

The above figure for other loans includes preference shares treated as debt. Details of the rights attached to these preference shares has been disclosed in note 18.

In the prior year, Beds & Bars Limited owed C&C Group PLC an amount of £500,000. This loan was repaid in full during the year.

#### 17 Deferred taxation

Deferred tax assets and liabilities are offset where the 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:

	<b>Assets 2018 £</b>	<b>Assets 2017 £</b>
<b>Balances:</b>		
Accelerated capital allowances	135,251	135,967
Tax losses	205,765	370,263
	<u>341,016</u>	<u>506,230</u>
		<b>2018 £</b>
<b>Movements in the year:</b>		
Liability/(Asset) at 2 April 2017		(506,230)
Charge to other comprehensive income		160,851
Effect of change in tax rate - profit or loss		4,363
Liability/(Asset) at 31 March 2018		<u>(341,016)</u>

The deferred tax asset set out above is expected to reverse within 36 months and relates to the utilisation of tax losses against future expected profits of the same period.

# BEDS & BARS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 18 Share capital

	2018 £	2017 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
339,843 Ordinary shares of £1 each	339,843	339,843
	<u>339,843</u>	<u>339,843</u>

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.

### 19 Reserves

#### Share premium

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

#### Profit and loss reserves

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

### 20 Related party transactions

#### Transactions with related parties

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

	<b>Management charges</b>	
	2018 £	2017 £
Entities over which the entity has control, joint control or significant influence	<u>2,233,775</u>	<u>2,289,740</u>

The above disclosure relates to income receivable by Beds & Bars Limited from non-wholly owned group undertakings.

The following amounts were outstanding at the reporting end date:

	2018 £	2017 £
<b>Amounts owed to non-wholly owned group undertakings</b>		
Entities over which the entity has control, joint control or significant influence	<u>14,821,813</u>	<u>11,452,043</u>

## **BEDS & BARS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018**

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#### **20 Related party transactions (Continued)**

The following amounts were outstanding at the reporting end date:

	2018	2017
	£	£
<b>Amounts owed by non-wholly owned group undertakings</b>		
Entities over which the entity has control, joint control or significant influence	15,036,142	10,858,784
	<u>15,036,142</u>	<u>10,858,784</u>

#### **21 Controlling party**

The parent of the smallest and largest group for which consolidated accounts are drawn up of which the company is a member is Beds & Bars Group Limited, a company with a registered office of Overlord House, 1D Colet Gardens, Hammersmith, London, England, W14 9DH.

Beds & Bars Group Limited is the ultimate parent company.

The ultimate controlling party is Mr K C Knowles.