

**PCD Holdings Limited**

Financial statements

For the period 2nd July 2007 to 4th May 2008

Registered No: 5509310

FRIDAY



\*L8W2F7Q3\*

L11

27/02/2009

67

COMPANIES HOUSE

## Company information

<b>Company registration number</b>	5509310
<b>Registered office</b>	Westgate Brewery Bury St Edmunds Suffolk IP33 1QT
<b>Directors</b>	Mr I R H Glyn Mr M Derry Mr R J Morris Ms H L Melvin Mr I Bull
<b>Secretary</b>	Mrs L Keswick
<b>Bankers</b>	Barclays Bank PLC Level 127 1 Churchill Place LONDON E14 5HP
<b>Solicitors</b>	Roythorne & Co 8 The Ropewalk NOTTINGHAM NG1 5DT  Berwin Leighton Paisner LLP Adelaide House London Bridge LONDON EC4R 9HA
<b>Auditors</b>	Ernst & Young 1 More Place LONDON SE1 2AF

## Index

<b>Report of the directors</b>	4 - 5
<b>Report of the independent auditors</b>	6
<b>Principal accounting policies</b>	7
<b>Profit and loss account</b>	8
<b>Balance sheet</b>	9
<b>Notes to the financial statements</b>	10 - 15

## Report of the directors

The directors present their report and the financial statements for the period 2nd July 2007 to 4th May 2008.

### Principal Activities

The principal activity of the company is the holding company of Premium Casual Dining Limited to which company loans have been made.

### Results and Dividends

The results reported relate to the ten month trading period to 4<sup>th</sup> May 2008.

Costs expensed to the profit and loss account of PCD Holdings Limited relate to the amortisation of fees incurred in the raising of finance to support the acquisition of 100% of the equity of LFR plc at the end of 2005 together with related financing charges.

The loss after tax for the period amounted to £840k. (6 month period to 1<sup>st</sup> July 2007 loss £1,253k) The directors do not propose the payment of a dividend. (2007: £nil)

### Principal Risks and Uncertainties

The business of the company's trading subsidiary, and the restaurant sector as a whole, continue to expand at a significant rate resulting in increasing pressure on the available pool of skilled staff. Principal risks and uncertainties faced by the Group are outlined in the business reviews of the Group's trading entities.

### Key Performance Indicators

The performance of the Company is measured through the success of its investments. The trading subsidiary measures its success through the use of two key performance indicators being like for like sales growth and profitability versus annual budget.

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### The directors

The directors who served the company during the period were as follows:

Mr I Glyn (Resigned 7<sup>th</sup> August 2007)  
Mr M Derry  
Mr R Morris  
Ms H Melvin  
Mr I Bull (Appointed 7<sup>th</sup> August 2007)

**Indemnity provision/ directors' liabilities**

The company has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision is in force as at the date of approving the directors' report.

**Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The company financial statements are required by law to 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 judgments and 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

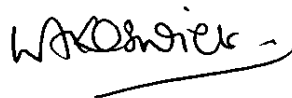
**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under PART VII of the companies Act 1985.

**Auditors**

Ernst & Young offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

By order of the board



Mrs L A Keswick  
Company Secretary

27 February 2009

## Independent auditors' report

to the members of PCD Holdings Ltd

We have audited the financial statements of PCD Holdings Ltd for the period ended 4th May 2008 which comprise the Profit and Loss Account, the Balance Sheet, Accounting Policies and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

In addition we report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

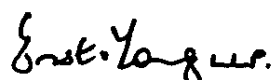
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 4th May 2008 and of the result for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Ernst & Young LLP

Registered Auditor

London

27 February 2009.

## Principal accounting policies

### **Basis of accounting**

These accounts have been prepared under the historic cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

### **Going Concern**

At 4 May 2008 the company had net liabilities. The financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence in the foreseeable future. The company's ultimate parent undertaking, Greene King plc, has provided the group with an undertaking that it will, for at least 12 months from the date of approval of these financial statements, continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

### **Financing costs**

Financing costs associated with bank and other loan borrowing are amortised, on a straight line basis, over the term of the loan.

### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statement on the ground that the company is wholly owned subsidiary of Greene King plc, the results of which consolidate those of the company.

### **Group accounts**

Group accounts have not been prepared in accordance with the exemption allowed by S228 of the Companies Act 1985 because the company is a wholly owned subsidiary of another UK company which prepares group accounts.

### **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 have occurred at the date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned.

However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing difference reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

## Profit and loss account

	Note	10 month Period to 4 May 2008 £	6 month Period to 1 July 2007 £
Other operating charges	1	(619,214)	(59,390)
<b>Operating loss</b>	2	<b>(619,214)</b>	<b>(59,390)</b>
Interest payable and similar charges	3	(220,794)	(1,193,803)
<b>Loss on ordinary activities before taxation</b>		<b><u>(840,008)</u></b>	<b><u>(1,253,193)</u></b>
Tax on loss on ordinary activities	4	-	-
<b>Loss for the financial period</b>	10	<b><u>(840,008)</u></b>	<b><u>(1,253,193)</u></b>

All of the activities of the company are classed as continuing.

The company has no recognised gain or losses other than the results for the period as set out above.

**The accompanying accounting policies and notes form part of the financial statements.**



## Balance sheet

	Note	£	As at 4 May 2008 £	As at 1 July 2007 £
<b>Fixed assets</b>			<b>1</b>	<b>1</b>
Investments	5			
<b>Current assets</b>				
Debtors (including £12,213,906 due after more than one year (2007: £12,213,906))	6	12,213,906	12,213,906	
Creditors: amounts falling due within one year	7	(1,623)	(2,966,559)	
<b>Net current assets</b>			<b>12,212,283</b>	<b>9,247,347</b>
<b>Total assets plus net current liabilities</b>			<b>12,212,284</b>	<b>9,247,348</b>
Creditors: amounts falling after more than one year	8		(16,190,437)	(12,385,493)
			<b>(3,978,153)</b>	<b>(3,138,145)</b>
<b>Capital and reserves</b>				
Called-up share capital	9		<b>1</b>	<b>1</b>
Profit and loss account	10		(3,978,154)	(3,138,146)
			<b>(3,978,153)</b>	<b>(3,138,145)</b>

These financial statements were approved by the directors on 27.02.09 and are signed on their behalf by:



Ian Bull  
Director

The accompanying accounting policies and notes form part of the financial statements.

## Notes to the financial statements

### 1 Other operating charges

	10 month Period to 4 May 2008 £	6 month Period to 1 July 2007 £
Administrative expenses	<u>619,214</u>	<u>59,390</u>

### 2 Operating loss

Operating profit is stated after charging:

	10 month Period to 4 May 2008 £	6 month Period to 1 July 2007 £
Auditors' remuneration:		
Audit of these financial statements	<u>-</u>	<u>1,960</u>

Auditor's remuneration in relation to the current year financial statements was borne by a fellow group company and not recharged.

### 3 Interest payable and similar charges

	10 month Period to 4 May 2008 £	6 month Period to 1 July 2007 £
Other loans	<u>220,794</u>	<u>1,193,803</u>

#### 4 Taxation on ordinary activities

##### (a) Analysis of charge in the period

	10 month Period to 4 May 2008 £	6 month Period to 1 July 2007 £
Current tax:		
UK Corporation tax based on the results for the period	<u>-</u>	<u>-</u>

##### (b) Factors affecting current tax charge

	10 month Period to 4 May 2008 £	6 month Period to 1 July 2007 £
Loss on ordinary activities before taxation	<u>(840,008)</u>	<u>(1,253,193)</u>
Profit on ordinary activities by rate of tax (30% (2007: 30%))	(252,002)	(375,958)
Group relief surrendered	<u>252,002</u>	<u>375,958</u>
Total current tax	<u>-</u>	<u>-</u>

## 5 Fixed asset Investments

	Share in group undertakings £
<b>Cost</b>	
At 2 July 2007	<u>1</u>
At 4 May 2008	<u>1</u>
<b>Net book value</b>	
At 4th May 2008	<u>1</u>
At 2nd July 2007	<u>1</u>

The companies in which the Company's direct interest at the year end is more than 20% are as follows:

	Country of incorporation	Principal Activity	Class and percentage of shares held
<b>Subsidiary undertakings</b>			
Premium Casual Dining Ltd	England	Holding Company	Ordinary 100%

## 6 Debtors

	As at 4 May 2008 £	As at 1 July 2007 £
Amount owed by group undertakings	<u>12,213,906</u>	<u>12,213,906</u>

The debtors above include the following amounts falling due after more than one year:

	As at 4 May 2008 £	As at 1 July 2007 £
Amount owed by group undertakings	<u>12,213,906</u>	<u>12,213,906</u>

**7 Creditors: amounts falling due within one year**

	As at 4 May 2008 £	As at 1 July 2007 £
Accruals and deferred income	<u>1,623</u>	<u>2,966,559</u>

**8 Creditors: amounts falling due after more than one year**

	As at 4 May 2008 £	As at 1 July 2007 £
Amounts owed to group undertakings	16,190,437	3,135
Other loans	<u>-</u>	<u>12,382,358</u>
	<u>16,190,437</u>	<u>12,385,493</u>

**Bank loans & security**

The bank loans of the subsidiaries Premium Casual Dining Limited and Loch Fyne Restaurants Limited were secured by a fixed and floating charge and cross guarantees between all group companies. At 4 May 2008, the bank loans of Premium Casual Dining Limited totalled £nil (At 1 July 2007: £11,500,000) and Loch Fyne Restaurants Ltd totalled £nil (1 July 2007: £5,000,000).

**Other loans**

Non bank loan notes were held by the parent, PCD Group Limited and group company PCD Holdings Limited.

At 4 May 2008, the loan notes held in PCD Group Limited totalled £nil, (1 July 2007: £5,500,000) and PCD Holdings Limited totalled £nil (1 July 2007: £13,000,000)

All other loans disclosed under creditors falling due after more than one year are secured by the group.

**Ageing analysis**

Creditors include borrowings which are repayable as follows:

	As at 4 May 2008 £	As at 1 July 2007 £
In five years or more	-	13,000,000
	<u>-</u>	<u>13,000,000</u>
Financing Costs	-	(617,642)
	<u>-</u>	<u>12,382,358</u>

## 9 Share capital

	As at 4 May 2008		As at 1 July 2007	
	£		£	
Authorised share capital:				
100 Ordinary shares of £1 each	<u>100</u>		<u>100</u>	
Allotted, called up and fully paid:				
	As at 4 May 2008		As at 1 July 2007	
	No	£	No	£
Ordinary shares of £1	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

## 10 Profit and loss account

	As at 4 May 2008		As at 1 July 2007	
	£		£	
Balance Brought forward	(3,138,146)		(1,884,953)	
Loss for the financial period	(840,008)		(1,253,193)	
Balance carried forward	<u>(3,978,154)</u>		<u>(3,138,146)</u>	

## 11 Reconciliation of movements in shareholders' funds

	As at 4 May 2008		As at 1 July 2007	
	£		£	
Opening shareholders' funds	(3,138,145)		(1,884,952)	
Loss for the financial period	(840,008)		(1,253,193)	
Closing shareholders' funds	<u>(3,978,153)</u>		<u>(3,138,145)</u>	

## 12 Related Party Transactions

As a wholly owned subsidiary of Greene King plc, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group on the grounds that group accounts are publicly available and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

**13 Ultimate parent company**

As at 4<sup>th</sup> May 2008, the company's ultimate parent undertaking was Greene King plc, a company registered in England and Wales. Copies of its group accounts, which include the company, are available from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT.

The company's immediate parent undertaking and controlling party is PCD Group Limited, a company incorporated in Great Britain and registered in England and Wales