

333 HOLDINGS LIMITED

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 SEPTEMBER 2011



333 HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS

A G B Langlands - Pearse
P J Dyson (appointed 15 December 2011)

COMPANY NUMBER

05848021

REGISTERED OFFICE

17 Mossop Street
London
SW3 2LY

333 HOLDINGS LIMITED

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333 HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2011

The directors present their report and the financial statements for the year ended 30 September 2011

DIRECTORS' RESPONSIBILITIES STATEMENT

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 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 the group and of the profit or loss of the group 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activity of the group is the management and operation of public houses and a restaurant.

BUSINESS REVIEW

The economic and financial climate over this past year has proven to be a challenging time for the group.

The turnover for the year ended 30 September 2011 was £4.6m, a decrease of 27% over the previous year (2010 - £6.3m). We disposed of Devonshire Terrace pub in January 2011, which was partly responsible for the reduced turnover.

During the year the group focused on reducing the bank debt and in December 2010 the bank loans were replaced by shareholders' loans.

During the year the directors focused on realising the investment potential for its shareholders. This has been achieved since the year end, with the demerger of VQ Limited, and the disposal of the entire share capital to Cirrus Holdings Limited.

Key Performance Indicators

The directors monitor the group's performance through a number of indicators, however the main measurements are like for like turnover, EBITDA and net cash flow from operating activity.

333 HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2011

RESULTS

The loss for the year, after taxation and minority interests, amounted to £188,305 (2010 - loss £12,597)

DIRECTORS

The directors who served during the year were

E M Dunmore (resigned 15 December 2011)
J Jouhki (resigned 15 December 2011)
M De Carvalho (resigned 15 December 2011)
T B M Holcroft (resigned 6 January 2011)
M Foster (resigned 15 December 2011)
A G B Langlands - Pearse

P J Dyson was appointed as a director on 15 December 2011

PRINCIPAL RISKS AND UNCERTAINTIES

Dependence on key executives and personnel

The Group's success is substantially dependent on the continuing services and performance of the highly skilled pub managers and its ability to continue to attract and retain them. The Directors believe the Group's culture and remuneration packages are attractive, which should assist key staff retention. The Directors are indemnified against public liability claims through Directors and Officers insurance.

Licences, permits and approvals

The pub industry in the UK is highly regulated at both national and local levels and pub operators require licences, permits and approvals. Delays and failure to obtain the required licences or permits could adversely affect the operation of the Group. These laws and regulations impose a significant administrative burden on each pub and additional or more stringent requirements could be imposed in the future. Each of the Group's pubs is licensed to permit, amongst other things, the sale of liquor. Should any of the Group's pub licences be withdrawn or amended, the profitability of any such pub could be adversely impacted. The Group has processes in place to ensure all necessary licences are obtained on a timely basis, and to monitor compliance with all relevant laws and regulations.

EVENTS SINCE THE END OF THE YEAR

On 12 December 2011 VQ Limited was demerged from the group and sold to its shareholders. On 15 December 2011, the entire share capital was acquired by Cirrus Holdings Limited and shareholders' loans were repaid in full. On 1 March 2012, the company sold its associate, Gubb Inns Limited, to Pig Inns Limited.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.

333 HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

AUDITORS

The auditors, haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 30/07/2012 and signed on its behalf



A.G.B. Langlands - Pearse
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF 333 HOLDINGS LIMITED

We have audited the financial statements of 333 Holdings Limited for the year ended 30 September 2011, set out on pages 6 to 27. 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 Auditors' 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

As explained more fully in the Directors' responsibilities statement, 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2011 and of the group's 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

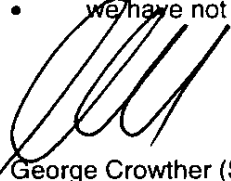
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF 333 HOLDINGS 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



George Crowther (Senior statutory auditor)

for and on behalf of
haysmacintyre

Statutory Auditors

Fairfax House
15 Fulwood Place
London

WC1V 6AY

Date 30/07/2012

333 HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Note	2011 £	2010 £
TURNOVER	1,2		
Continuing operations		4,102,281	6,334,283
Discontinued operations		477,475	-
		<u>4,579,756</u>	<u>6,334,283</u>
Cost of sales	4	(1,348,855)	(1,877,359)
		<u>3,230,901</u>	<u>4,456,924</u>
GROSS PROFIT			
Administrative expenses	4	(3,462,548)	(4,416,685)
Other operating income	3	383,946	-
		<u>383,946</u>	<u>-</u>
OPERATING PROFIT	5		
Continuing operations		(1,886)	40,239
Discontinued operations		154,185	-
		<u>152,299</u>	<u>40,239</u>
Share of operating profit/(loss) in associates		9,742	(20,787)
		<u>162,041</u>	<u>19,452</u>
TOTAL OPERATING PROFIT			
EXCEPTIONAL ITEMS			
Loss on sale of discontinued operations	9	(95,337)	-
		<u>66,704</u>	<u>19,452</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST			
Interest receivable and similar income		1,586	4,038
Interest payable and similar charges	8	(113,483)	(118,469)
		<u>(45,193)</u>	<u>(94,979)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			
Tax on loss on ordinary activities	10	(128,403)	95,903
		<u>(173,596)</u>	<u>924</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			
Minority interests		(14,709)	(13,521)
		<u>(188,305)</u>	<u>(12,597)</u>
LOSS FOR THE FINANCIAL YEAR	20		
		<u>(188,305)</u>	<u>(12,597)</u>

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

The notes on pages 11 to 27 form part of these financial statements

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Intangible assets	11	2,259,458	2,412,641
Tangible assets	12	1,037,100	2,268,864
Investments	13	27,491	22,901
Investments in associates	13	(13,575)	(21,947)
		<u>3,310,474</u>	<u>4,682,459</u>
CURRENT ASSETS			
Stocks	14	62,176	90,059
Debtors	15	334,317	461,645
Cash at bank and in hand		35,763	146,190
		<u>432,256</u>	<u>697,894</u>
CREDITORS: amounts falling due within one year	16	<u>(1,652,109)</u>	<u>(1,915,769)</u>
NET CURRENT LIABILITIES		<u>(1,219,853)</u>	<u>(1,217,875)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,090,621</u>	<u>3,464,584</u>
CREDITORS: amounts falling due after more than one year	17	-	(1,200,044)
PROVISIONS FOR LIABILITIES			
Deferred tax	18	(69,467)	(58,876)
NET ASSETS		<u>2,021,154</u>	<u>2,205,664</u>
CAPITAL AND RESERVES			
Called up share capital	19	4,516,557	4,516,557
Share premium account	20	35,027	35,027
Other reserves	20	69,905	65,909
Profit and loss account	20	(2,641,117)	(2,437,902)
SHAREHOLDERS' FUNDS	21	<u>1,980,372</u>	<u>2,179,591</u>
MINORITY INTERESTS	23	<u>40,782</u>	<u>26,073</u>
		<u>2,021,154</u>	<u>2,205,664</u>

333 HOLDINGS LIMITED

**CONSOLIDATED BALANCE SHEET (continued)
AS AT 30 SEPTEMBER 2011**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
30/07/2012



A.G.B. Langlands - Pearse
Director

The notes on pages 11 to 27 form part of these financial statements

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Tangible assets	12	3,300	6,850
Investments	13	3,046,972	3,042,382
		<u>3,050,272</u>	<u>3,049,232</u>
CURRENT ASSETS			
Debtors	15	1,386,265	1,146,667
Cash at bank		2,099	-
		<u>1,388,364</u>	<u>1,146,667</u>
CREDITORS: amounts falling due within one year	16	<u>(1,381,419)</u>	<u>(752,721)</u>
NET CURRENT ASSETS		6,945	393,946
NET ASSETS		<u>3,057,217</u>	<u>3,443,178</u>
CAPITAL AND RESERVES			
Called up share capital	19	4,516,557	4,516,557
Share premium account	20	35,027	35,027
Other reserves	20	69,905	65,909
Profit and loss account	20	<u>(1,564,272)</u>	<u>(1,174,315)</u>
SHAREHOLDERS' FUNDS	21	<u>3,057,217</u>	<u>3,443,178</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30/07/2012


A.G.B. Langlands - Pearse
Director

The notes on pages 11 to 27 form part of these financial statements

333 HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Note	2011 £	2010 £
Net cash flow from operating activities	24	892,287	(147,435)
Returns on investments and servicing of finance	25	(110,530)	(113,271)
Taxation		(13,976)	(84,828)
Capital expenditure and financial investment	25	907,317	(43,156)
Equity dividends paid		(14,910)	(5,862)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		1,660,188	(394,552)
Financing	25	(1,680,917)	714,017
(DECREASE)/INCREASE IN CASH IN THE YEAR		(20,729)	319,465

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 30 SEPTEMBER 2011

	2011 £	2010 £
(Decrease)/Increase in cash in the year	(20,729)	319,465
Cash outflow from decrease in debt and lease financing	1,680,917	216,056
MOVEMENT IN NET DEBT IN THE YEAR	1,660,188	535,521
Net debt at 1 October 2010	(1,630,957)	(2,166,478)
NET FUNDS/(DEBT) AT 30 SEPTEMBER 2011	29,231	(1,630,957)

The notes on pages 11 to 27 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Basis of consolidation

The financial statements consolidate the accounts of 333 Holdings Limited and all of its subsidiary undertakings ('subsidiaries')

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

S/Term Leasehold Property	-	over the period of the lease
Plant & machinery	-	25% straight line basis
Motor vehicles	-	25% straight line basis
Fixtures & fittings	-	10-25% straight line basis
Office equipment	-	20% straight line basis

1.6 Investments

(i) **Subsidiary undertakings**

Investments in subsidiaries are valued at cost less provision for impairment

(ii) **Associated undertakings**

Investments in associates are stated at the amount of the company's share of net assets. The Profit and loss account includes the company's share of the associated companies' profits after taxation using the equity accounting basis.

(iii) **Other investments**

Investments held as fixed assets are shown at cost less provision for impairment

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

1. ACCOUNTING POLICIES (continued)

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

1.11 Investments

Investments held as fixed assets are shown at cost less provision for impairments.

1.12 Share based payments

The company awards senior employees bonuses in the form of share options, from time to time, on a discretionary basis. The options are normally subject to visiting conditions and, where it is considered likely that the conditions will be met, their fair value is recognised as an employee benefits expense with a corresponding increase in other reserve equity over the vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**
2. TURNOVER

All turnover arose within the United Kingdom

The whole of the turnover and profit before taxation from continuing activities is attributable to the pub and restaurant businesses. The turnover and profit before taxation from discontinued activities arose from restaurant business based in Liverpool Street

3. OTHER OPERATING INCOME

	2011 £	2010 £
Discount on repayment of bank loan	383,946	-

4. ANALYSIS OF OPERATING PROFIT

	2011		2010	
	Continuing £	Discontinued £	Continuing £	Discontinued £
Turnover	4,102,281	477,475	6,334,283	-
Cost of sales	(1,222,815)	(126,040)	(1,877,359)	-
Gross profit	2,879,466	351,435	4,456,924	-
Administrative expenses	(3,126,529)	(336,019)	(4,416,685)	-
Other operating income	245,177	138,769	-	-
Operating profit	(1,886)	154,185	40,239	-

5. OPERATING PROFIT

The operating profit is stated after charging:

	2011 £	2010 £
Amortisation - intangible fixed assets	153,183	153,183
Depreciation of tangible fixed assets		
- owned by the group	143,973	252,105
Auditors' remuneration	24,785	26,100
Operating lease rentals		
- land and buildings	263,093	508,893

Auditors fees for the company were £3,550 (2010 - £3,250)

333 HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2011

6. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	1,530,464	2,058,630
Social security costs	93,168	97,526
	<u>1,623,632</u>	<u>2,156,156</u>

The average monthly number of employees, including the directors, during the year was as follows

	2011 No	2010 No
Office and management	5	5
Pub and restaurant staff	107	147
	<u>112</u>	<u>152</u>

7. DIRECTORS' REMUNERATION

	2011 £	2010 £
Emoluments	<u>156,028</u>	<u>150,368</u>

8. INTEREST PAYABLE

	2011 £	2010 £
On bank loans and overdrafts	16,435	115,547
On other loans	95,653	-
On finance leases and hire purchase contracts	28	1,762
Share of associates' interest payable	1,367	1,160
	<u>113,483</u>	<u>118,469</u>

9. EXCEPTIONAL ITEMS

	2011 £	2010 £
Loss on disposal of a trading site	<u>95,337</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

10. TAXATION

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on loss for the year	24,254	15,067
Adjustments in respect of prior periods	11,012	(1,971)
	<u>35,266</u>	<u>13,096</u>
Share of associates' current tax	3	-
Total current tax	<u>35,269</u>	<u>13,096</u>
Deferred tax		
Fixed asset timing differences	93,134	(102,793)
Losses and other deductions	-	42,518
Held over gain	-	(48,724)
Total deferred tax (see note 18)	<u>93,134</u>	<u>(108,999)</u>
Tax on loss on ordinary activities	<u>128,403</u>	<u>(95,903)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2010 - higher than) the standard rate of corporation tax in the UK of 27% (2010 - 28%). The differences are explained below

	2011 £	2010 £
Loss on ordinary activities before tax	<u>(45,193)</u>	<u>(94,979)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 27% (2010 - 28%)	(12,202)	(26,594)
Effects of.		
Non-tax deductible amortisation of goodwill and impairment	(3,227)	50,017
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	63,601	-
Capital allowances for year in excess of depreciation	54,221	10,527
Marginal relief	(2,438)	(4,808)
Capital gains/(losses)	-	48,184
Unrelieved/(utilisation) of tax losses and other deductions	(75,698)	(62,259)
Adjustments to tax charge in respect of prior periods	11,012	(1,971)
Current tax charge for the year (see note above)	<u>35,269</u>	<u>13,096</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

11. INTANGIBLE FIXED ASSETS

Group	Goodwill £
Cost	
At 1 October 2010 and 30 September 2011	3,063,669
Amortisation	
At 1 October 2010	651,028
Charge for the year	153,183
At 30 September 2011	804,211
Net book value	
At 30 September 2011	2,259,458
At 30 September 2010	2,412,641

12. TANGIBLE FIXED ASSETS

Group	S/Term Leasehold Property £	Plant & machinery £	Fixtures & fittings £	Office equipment £
Cost				
At 1 October 2010	2,531,095	160,226	1,066,801	4,749
Additions	104,881	11,588	60,930	1,079
Disposals	-	-	(1,550)	-
Relating to discontinued operations	(1,201,915)	-	(444,506)	-
At 30 September 2011	1,434,061	171,814	681,675	5,828
Depreciation				
At 1 October 2010	720,046	134,305	638,582	1,074
Charge for the year	156,147	11,855	55,904	614
On disposals	-	-	(1,550)	-
Relating to discontinued operations	(262,462)	-	(198,237)	-
At 30 September 2011	613,731	146,160	494,699	1,688
Net book value				
At 30 September 2011	820,330	25,654	186,976	4,140
At 30 September 2010	1,811,049	25,921	428,219	3,675

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

12. TANGIBLE FIXED ASSETS (continued)

Group	Total £
Cost	
At 1 October 2010	3,762,871
Additions	178,478
Disposals	(1,550)
Relating to discontinued operations	(1,646,421)
At 30 September 2011	<u>2,293,378</u>
Depreciation	
At 1 October 2010	1,494,007
Charge for the year	224,520
On disposals	(1,550)
Relating to discontinued operations	(460,699)
At 30 September 2011	<u>1,256,278</u>
Net book value	
At 30 September 2011	<u>1,037,100</u>
At 30 September 2010	<u>2,268,864</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

12. TANGIBLE FIXED ASSETS (continued)

Company	Fixtures & fittings £
Cost	
At 1 October 2010 and 30 September 2011	19,390
Depreciation	
At 1 October 2010	12,540
Charge for the year	3,550
At 30 September 2011	16,090
Net book value	
At 30 September 2011	3,300
At 30 September 2010	6,850

13. FIXED ASSET INVESTMENTS

Group	Investments in associates £	Unlisted investments £	Total £
Cost or valuation			
At 1 October 2010	(21,947)	22,901	954
Disposals	-	4,590	4,590
Share of profit/(loss)	8,372	-	8,372
At 30 September 2011	(13,575)	27,491	13,916
Net book value			
At 30 September 2011	(13,575)	27,491	13,916
At 30 September 2010	(21,947)	22,901	954

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**
13. FIXED ASSET INVESTMENTS (continued)**Participating interests**

The following associate accounted for in excess of 25% of the group's gross assets, gross liabilities, turnover or (on a three year average) operating results

Gubb Inns Limited

	£	2011 £	£	2010 £
Share of turnover		299,391		215,004
Share of profit before tax		8,376		(21,947)
Share of taxation		(4)		-
Share of profit after tax		8,372		(21,947)
Share of assets				
Fixed assets	15,362		14,205	
Current assets	27,582		28,786	
		42,944		42,991
Share of liabilities				
Due within one year or less		(56,519)		(64,938)
Share of net assets		(13,575)		(21,947)
Company		Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation				
At 1 October 2010		3,019,481	22,901	3,042,382
Disposals		-	4,590	4,590
At 30 September 2011		3,019,481	27,491	3,046,972
Net book value				
At 30 September 2011		3,019,481	27,491	3,046,972
At 30 September 2010		3,019,481	22,901	3,042,382

333 HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2011

14. STOCKS

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Finished goods and goods for resale	62,176	90,059	-	-

15 DEBTORS

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Trade debtors	2,437	15,338	2,437	3,223
Amounts owed by group undertakings	-	-	1,345,586	1,069,207
Amounts owed by undertakings in which the company has a participating interest	18,175	31,694	18,175	31,694
Other debtors	196,642	118,588	20,067	42,543
Called up share capital not paid	15	-	-	-
Prepayments and accrued income	117,048	213,482	-	-
Deferred tax asset (see note 18)	-	82,543	-	-
	334,317	461,645	1,386,265	1,146,667

16 CREDITORS: Amounts falling due within one year

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Bank loans and overdrafts	6,532	576,230	6,532	4,835
Net obligations under finance leases and hire purchase contracts	-	873	-	-
Trade creditors	346,715	550,889	31,569	32,154
Amounts owed to group undertakings	-	-	338,821	651,335
Corporation tax	32,988	16,742	-	2,384
Social security and other taxes	177,963	255,438	95,979	14,437
Other creditors	1,006,101	419,633	882,971	26,250
Accruals and deferred income	81,810	95,964	25,547	21,326
	1,652,109	1,915,769	1,381,419	752,721

Included within other creditors is £863,358 (2010 - £nil) due to the company's shareholders

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**
**17. CREDITORS:
Amounts falling due after more than one year**

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Bank loans	-	1,200,044	-	-

Included within the above are amounts falling due as follows

	2011 £	2010 £
After one and within two years	-	480,000
After two and within five years	-	720,044
Total	-	1,200,044

18. DEFERRED TAXATION

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
At beginning of year	23,667	(85,332)	-	-
(Charge for)/released during the year	(93,134)	108,999	-	-
At end of year	(69,467)	23,667	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

18. DEFERRED TAXATION (continued)

The deferred taxation balance is made up as follows

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Fixed asset timing differences	69,467	(58,876)	-	-
Losses and other deductions	-	82,543	-	-
	<u>69,467</u>	<u>23,667</u>	<u>-</u>	<u>-</u>
comprising				
Asset - due within one year	-	82,543	-	-
Liability	(69,467)	(58,876)	-	-
	<u>(69,467)</u>	<u>23,667</u>	<u>-</u>	<u>-</u>

19. SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
4,516,557 Ordinary shares of £1 each	<u>4,516,557</u>	<u>4,516,557</u>

Share options

Share options are granted to some directors and employees. Options are generally conditional on the employee completing a specific length of service. The options are exercisable from the end of the vesting period and lapse after 10 years. The Group has no legal or constructive obligation to repurchase or settle the options in cash. The options are valued using the Black Scholes option pricing model and no performance conditions were included in the fair value calculation. The risk free rate was 3%. The expected volatility was 27%. The share price at the date of issue was £1.05.

	Options
As at 1 October 2010	124,000
Options granted	-
Options lapsed	-
As at 30 September 2011	124,000

All options have an exercise price of £1. The options are exercisable from 25 November 2007 to 24 November 2017.

333 HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2011

20. RESERVES

	Share premium account £	Share options Reserve £	Profit and loss account £
Group			
At 1 October 2010	35,027	65,909	(2,437,902)
Loss for the year			(188,305)
Dividends Equity capital			(14,910)
Share options charge		3,996	
At 30 September 2011	<u>35,027</u>	<u>69,905</u>	<u>(2,641,117)</u>
	Share premium account £	Share options Reserve £	Profit and loss account £
Company			
At 1 October 2010	35,027	65,909	(1,174,315)
Loss for the year			(389,957)
Share options charge		3,996	
At 30 September 2011	<u>35,027</u>	<u>69,905</u>	<u>(1,564,272)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

21. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	2011 £	2010 £
Opening shareholders' funds	2,179,591	1,260,908
(Loss)/profit for the year	(188,305)	(12,597)
Dividends (Note 22)	(14,910)	(5,862)
Shares issued during the year	-	947,595
Share issue costs	-	(14,449)
Share option charge	3,996	3,996
Closing shareholders' funds	<u>1,980,372</u>	<u>2,179,591</u>
Company	2011 £	2010 £
Opening shareholders' funds	3,443,178	2,370,783
(Loss)/profit for the year	(389,957)	135,253
Shares issued during the year	-	947,595
Share issue costs	-	(14,449)
Share option charge	3,996	3,996
Closing shareholders' funds	<u>3,057,217</u>	<u>3,443,178</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account

The (loss)/profit for the year dealt with in the accounts of the company was £389,957 (2010 - £135,253)

22. DIVIDENDS

	2011 £	2010 £
Dividends paid to minority interests	<u>14,910</u>	<u>5,862</u>

23. MINORITY INTERESTS

Equity	£
At 1 October 2010	(26,073)
Movement during the year	<u>(14,709)</u>
At 30 September 2011	<u>(40,782)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

24. NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	152,299	40,239
Amortisation of intangible fixed assets	153,183	153,183
Depreciation of tangible fixed assets	143,973	251,049
Decrease in stocks	27,883	24,783
Decrease/(increase) in debtors	122,617	(167,800)
Increase/(decrease) in creditors	292,332	(448,889)
Net cash inflow/(outflow) from operating activities	892,287	(147,435)

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	1,586	4,038
Interest paid	(112,088)	(115,547)
Hire purchase interest	(28)	(1,762)
Net cash outflow from returns on investments and servicing of finance	(110,530)	(113,271)
	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(178,478)	(73,010)
Sale of tangible fixed assets	1,090,385	-
Sale of unlisted and other investments	(4,590)	29,854
Net cash inflow/(outflow) from capital expenditure	907,317	(43,156)
	2011 £	2010 £
Financing		
Issue of ordinary shares	-	933,146
Repayment of loans	(1,680,044)	-
Repayment of other loans	-	(216,056)
Repayment of finance leases	(873)	-
Repayment of finance leases	-	(3,073)
Net cash (outflow)/inflow from financing	(1,680,917)	714,017

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

26. ANALYSIS OF CHANGES IN NET DEBT

	1 October 2010 £	Cash flow £	Other non-cash changes £	30 September 2011 £
Cash at bank and in hand	146,190	(110,427)	-	35,763
Bank overdraft	(96,230)	89,698	-	(6,532)
	<u>49,960</u>	<u>(20,729)</u>	<u>-</u>	<u>29,231</u>
Debt:				
Debts due within one year	(480,873)	1,680,917	(1,200,044)	-
Debts falling due after more than one year	(1,200,044)	-	1,200,044	-
	<u>(1,630,957)</u>	<u>1,660,188</u>	<u>-</u>	<u>29,231</u>
Net debt	<u>(1,630,957)</u>	<u>1,660,188</u>	<u>-</u>	<u>29,231</u>

27. OPERATING LEASE COMMITMENTS

At 30 September 2011 the Group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
Group	2011 £	2010 £
Expiry date:		
Between 2 and 5 years	50,000	50,000
After more than 5 years	<u>515,047</u>	<u>515,047</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

28. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in paragraph 3(c) of FRS 8 from disclosing the transactions entered into between two or more members of a group as all subsidiary undertakings are wholly-owned by a member of that group

The company received a dividend of £nil (2010 £29,138) and a management fee of £28,404 (2010 £nil) from 333 PIC Limited, its subsidiary undertaking. At the year end the company was due £17,583 (2010 £17,718) from 333 PIC Limited

During the year the company wrote off a balance of £35,580 due from the Third Space Group Limited, a company in which E M Dunmore is a director. At the year end the company was due £nil (2010 £35,580) from the Third Space Group Limited

At the year end the company was due £26,494 (2010 £19,857) from County of Sussex Limited, its subsidiary undertaking. Interest of £1,300 (2010 £1,053) was charged on this loan. The company was due £3,744 (2010 £50,000) from County of Hampshire Limited, its subsidiary undertaking

At the year end the company was due £18,175 (2010 £31,694) from Gubb Inns Limited, its associated company. Interest of £1,479 (2010 £1,209) was charged on the outstanding balance

29. POST BALANCE SHEET EVENTS

After the year end the company demerged its interest in VQ Limited and shareholders disposed of their entire share capital to Cirrus Inns Limited

30. CONTROLLING PARTY

The directors do not believe there to be a controlling party