

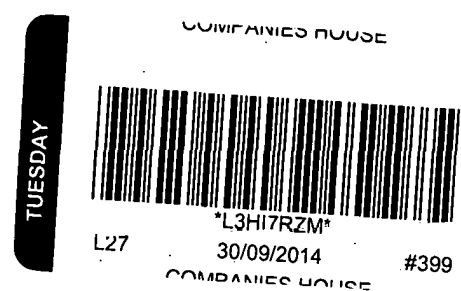
InnDeed Nominee 1 Limited

Report and Financial Statements

Period Ended

29 December 2013

Company Number 05969421



InnDeed Nominee 1 Limited

Report and financial statements for the period ended 29 December 2013

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Directors

R K F Thomson
S E Kennedy

Secretary and registered office

R K F Thomson, 31 Havercroft Industrial Estate, New Road, Attleborough, Norfolk, NR17 1YE

Company number

05969421

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

InnDeed Nominee 1 Limited

Report of the directors for the period ended 29 December 2013

The directors present the annual report and the audited accounts for the period ended 29 December 2013. The prior period comparatives are for the period ended 30 December 2012.

Results and dividends

The profit and loss account is set out on page 5 and shows the loss for the period. No dividends were paid during the period (2012 - £Nil).

Principal activity and review of business

The principal activities of the company comprise the operation of pubs either under lease or tenancy agreements. The agreements with tenants in the leased estate comprise both tied and free of tie arrangements, generate income from rents, sales of beer and other drinks, and through profit share arrangements for income from leisure machines.

The company's pub assets are financed by a combination of bank debt, intercompany debt and shareholders' equity.

As explained in note 1 to the financial statements, the company is currently not complying with its banking covenants and the loan is due for repayment on demand.

The directors have prepared cash flow forecasts through to 30 September 2015 which indicate that that the company will generate sufficient cash to support its operations and cover its interest obligations over that period. However, they also indicate that there will be insufficient funds to repay the loan principal if demanded. The directors have been in discussion with its lenders and continue with a planned property disposal programme. The company is dependent on the ongoing support of the lenders and there can be no guarantee that this will continue. Should the bank request repayment of some or all of the loan, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

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

Directors

The directors who held office during the period are as follows:

K F Thomson
S E Kennedy

InnDeed Nominee 1 Limited

Report of the directors for the period ended 29 December 2013 (*continued*)

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 period. 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).

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 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 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 have 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

The directors' report has been prepared under the small companies exemption.

On behalf of the Board



R K F Thompson
Director

Date 26/09/14

InnDeed Nominee 1 Limited

Independent auditor's report

TO THE MEMBERS OF INNDEED NOMINEE 1 LIMITED

We have audited the financial statements of InnDeed Nominee 1 Limited for the 52 weeks ended 29 December 2013 which comprises the profit and loss account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standard (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 statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern.

The company is currently in breach of the covenants on its £13,331,000 loan facility and, therefore it is repayable on demand.

The directors have prepared cash flow forecasts through to 30 September 2015 which indicate that that the company will generate sufficient cash to support its operations and cover its interest obligations over that period. However, they also indicate that there will be insufficient funds to repay the loan principal if demanded. The directors have been in discussion with its lenders and continue with a planned property disposal programme. The company is dependent on the ongoing support of the lenders and there can be no guarantee that this will continue. Should the bank request repayment of some or all of the loan, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

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

InnDeed Nominee 1 Limited

Independent auditor's report (*continued*)

Opinion on other matters 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.

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, 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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

*Geraint Jones (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

26 September 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

InnDeed Nominee 1 Limited

Profit and loss account for the period ended 29 December 2013

	Note	52 weeks ended 29 December 2013 £'000	52 weeks ended 30 December 2012 £'000
Turnover	2	890	1,052
Cost of sales		(283)	(359)
Gross profit		607	693
Administration costs		(724)	(650)
Other income		1	7
Operating (loss)/profit	3	(116)	50
(Loss)/profit on disposal of fixed asset		(128)	79
Interest payable and similar charges	4	(650)	(773)
Loss on ordinary activities before taxation		(894)	(644)
Taxation on loss on ordinary activities	5	-	5
Loss attributable to ordinary shareholders	11	(894)	(639)

All amounts relate to continuing activities.

There are no recognised gains and losses for the current or previous financial period other than the loss shown above.

The notes on pages 8 to 16 form part of these financial statements.

InnDeed Nominee 1 Limited

Balance sheet at 29 December 2013

Company number 05969421	Note	29 December 2013 £'000	29 December 2013 £'000	30 December 2012 £'000	30 December 2012 £'000
Fixed assets					
Property, plant and equipment	6		3,186		4,186
Current assets					
Debtors	7	90		258	
Cash at bank and in hand		333		384	
		<u>423</u>		<u>642</u>	
Creditors: amounts falling due within one year	8	(13,788)		(14,427)	
		<u></u>		<u></u>	
Net current liabilities			(13,365)		(13,785)
Total assets less current liabilities			(10,179)		(9,599)
Creditors: amounts falling due after one year	9		(4,233)		(3,919)
			<u></u>		<u></u>
Net liabilities			(14,412)		(13,518)
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	10		298		298
Share Premium	11		562		562
Profit and loss account	11		(15,272)		(14,378)
			<u></u>		<u></u>
Shareholder's deficit	11		(14,412)		(13,518)
			<u></u>		<u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 September 2014



R K F Thomson
Director

The notes on pages 8 to 16 form part of these financial statements.

InnDeed Nominee 1 Limited

Cash flow statement for the year ended 29 December 2013

	Note	52 weeks ended 29 December 2013 £	52 weeks ended 29 December 2013 £	52 weeks ended 30 December 2012 £	52 weeks ended 30 December 2012 £
Net cash inflow/(outflow) from operating activities	13		418		(54)
Returns on investments and servicing of finance			(336)		(361)
Interest paid					
Capital expenditure and financial investment					
Sale of fixed assets		571		355	
Purchase of fixed assets		(14)		(27)	
			557		328
Financing					
Repayments of bank loans			(690)		-
Cash outflow in the period	14,15		(51)		(87)

The notes on pages 8 to 16 form part of these financial statements.

InnDeed Nominee 1 Limited

Notes forming part of the financial statements for the period ended 29 December 2013

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements are prepared in accordance with applicable UK accounting standards and under the historical cost convention.

Going concern

The company is currently in breach of the covenants on its £13,331,000 loan facility and, therefore it is repayable on demand.

The directors have prepared cash flow forecasts through to 30 September 2015 which indicate that the company will generate sufficient cash to support its operations and cover its interest obligations over that period. However, they also indicate that there will be insufficient funds to repay the loan principal if demanded. The directors have been in discussion with its lenders and continue with a planned property disposal programme. The company is dependent on the ongoing support of the lenders and there can be no guarantee that this will continue. Should the bank request repayment of some or all of the loan, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

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

Tangible fixed assets

Landlord's fixtures and fittings include removable items, which are generally regarded as within landlord ownership. These are depreciated in accordance with the policy detailed below.

Property, plant and equipment assets are carried at cost or deemed cost less accumulated depreciation and any recognised impairment in value. Depreciation is provided to write off the cost of property, plant and equipment, less estimated residual values, by equal annual instalments as follows:

Freehold and leasehold buildings	- 50 years or the life of the lease if shorter
Fixtures and fittings	- 5-15 years

Freehold land is not depreciated.

Freehold buildings are depreciated so as to write off the difference between their carrying value and residual value over their useful economic life of 50 years. Residual values are reviewed at least once each financial year and there is no depreciable amount if the residual value is the same or exceeds the carrying value.

InnDeed Nominee 1 Limited

Notes forming part of the financial statements for the period ended 29 December 2013 (continued)

1 Accounting policies (continued)

Impairment of tangible fixed assets

The need for any tangible fixed asset impairment write down is assessed by comparison of the carrying value of the asset against the higher of its net realisable value and value in use. These assessments are carried out at reporting dates or whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, the asset is written down accordingly. Impairment charges are included in the operating expenses line item in the profit and loss account.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of the business, net of discounts and VAT.

- *Drink and food sales*
Turnover in respect of drink and food sales is recognised at the point at which the goods are provided, net of discounts or volume rebates allowed.
- *Rents receivable*
Rents receivable are recognised on a straight-line basis over the lease term.
- *Machine income*
The company's share of net machine income is recognised in the period to which it relates.

Finance costs

In accordance with FRS 4, costs of obtaining finance are initially recognised on the balance sheet and are spread evenly over the life of the loan to which they relate. Such items are deducted from the carrying value of the loan.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

InnDeed Nominee 1 Limited

Notes forming part of the financial statements
for the period ended 29 December 2013 (*continued*)

2 Turnover

	52 weeks ended 29 December 2013 £'000	52 weeks ended 30 December 2012 £'000
Beer sales	384	475
Rental income	435	474
Machine income	71	103
	<u>890</u>	<u>1,052</u>

The turnover of the company for the period is attributable to the continuing activity of the company being the ownership and management of pubs in the United Kingdom.

3 Operating (loss)/profit

	52 weeks ended 29 December 2013 £'000	52 weeks ended 30 December 2012 £'000
Operating (loss)/profit is stated after charging:		
Impairment charge	33	-
Depreciation	282	318
Audit fee	15	15
	<u>330</u>	<u>333</u>

The company has no other employees other than the directors. No remuneration was paid to the directors in either the current or prior year (see note 12).

4 Interest payable and similar charges

	52 weeks ended 29 December 2013 £'000	52 weeks ended 30 December 2012 £'000
Bank interest	331	452
Bank charges	5	7
Loan note interest	314	314
	<u>650</u>	<u>773</u>

InnDeed Nominee 1 Limited

Notes forming part of the financial statements for the period ended 29 December 2013 (continued)

5 Taxation on loss on ordinary activities

	52 weeks ended 29 December 2013 £'000	52 weeks ended 30 December 2012 £'000
<i>Current tax</i>		
UK corporation tax on loss for the period	-	-
Adjustment for prior year	-	5
	<u>-</u>	<u>5</u>
	-	5
	<u>-</u>	<u>5</u>

The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below:

	52 weeks ended 29 December 2013 £'000	52 weeks ended 30 December 2012 £'000
Loss on ordinary activities before taxation	(894)	(644)
	<u>(894)</u>	<u>(644)</u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 23% (2012 - 24.5%)	(206)	(158)
Effects of:		
Expenses not deductible for tax purposes	77	-
Depreciation in excess of capital allowances	25	78
Ineligible depreciation and impairment	-	-
Trading losses carried forward	104	99
Permanent differences	-	(19)
Adjustment for prior year	-	5
	<u>-</u>	<u>5</u>
	-	5
	<u>-</u>	<u>5</u>

Factors that may affect future tax changes

A potential deferred tax asset of £1.4m in respect of trading loss, has not been recognised on the grounds that there is insufficient evidence at the current time that the asset will be recoverable in the foreseeable future.

InnDeed Nominee 1 Limited

Notes forming part of the financial statements
for the period ended 29 December 2013 (*continued*)

6 Fixed assets

Property, plant and equipment	Fixtures and fittings £'000	Licensed properties £'000	Total £'000
<i>Cost or valuation</i>			
At 30 December 2012	255	14,746	15,001
Additions	8	6	14
Disposals	(43)	(1,988)	(2,031)
	<hr/>	<hr/>	<hr/>
At 29 December 2013	220	12,764	12,984
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 30 December 2012	87	10,728	10,815
Charge for period	24	258	282
Disposal	(17)	(1,315)	(1,332)
Impairment charge	-	33	33
	<hr/>	<hr/>	<hr/>
At 29 December 2013	94	9,704	9,798
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 29 December 2013	126	3,093	3,186
	<hr/>	<hr/>	<hr/>
At 30 December 2012	168	4,018	4,186
	<hr/>	<hr/>	<hr/>

7 Debtors

	29 December 2013 £'000	30 December 2012 £'000
Trade debtors	51	104
Prepayments and accrued income	24	145
Other debtors	15	9
	<hr/>	<hr/>
	90	258
	<hr/>	<hr/>

InnDeed Nominee 1 Limited

Notes forming part of the financial statements for the period ended 29 December 2013 (*continued*)

8 Creditors: amounts falling due within one year

	29 December 2013 £'000	30 December 2012 £'000
Bank loans	13,331	14,021
Trade creditors	33	29
Accruals and deferred income	142	163
Other creditors	107	146
VAT payable	8	26
Amounts due to related companies	167	42
	<u>13,788</u>	<u>14,427</u>

The bank loans are repayable on demand.

9 Creditors: amounts falling due after one year

	29 December 2013 £'000	30 December 2012 £'000
Loan notes	2,281	2,281
Loan note interest	1,952	1,638
	<u>4,233</u>	<u>3,919</u>

The loan notes are repayable after more than 5 years with an average interest rate of 7.74%.

10 Share capital

	Allotted, called up and fully paid 29 December 2013 £'000	30 December 2012 £'000
298,212 ordinary shares of £1 each	<u>298</u>	<u>298</u>

InnDeed Nominee 1 Limited

Notes forming part of the financial statements
for the period ended 29 December 2013 (*continued*)

11 Reserves and reconciliation of movements in shareholders' deficit

	Share capital £'000	Share premium £'000	Profit and loss account £'000	30 December 2013 £'000	29 December 2013 £'000
At beginning of period	298	562	(14,378)	(13,518)	(13,518)
Loss attributable to ordinary shareholders	-	-	(894)	(894)	(547)
At end of period	<u>298</u>	<u>562</u>	<u>(15,272)</u>	<u>(14,412)</u>	<u>(14,065)</u>

12 Related party transactions

At 29 December 2013, the following amounts are due from/(to) related parties:

	Amounts due from/(to) related parties as at the year end 30 December 2012 £'000	Management fee income/ (charge) £'000	Other £'000	Amounts due from/(to) related parties as at the year end 29 December 2013 £'000
GRS Pub Investments Limited	(84)	(137)	(107)	(328)
GRS Pub Limited	43	-	118	161
Indeed Group Limited	(3,919)	-	(314)	(4,233)

The related party transactions arise as a result of common directors and relates to trading activity during the period.

Directors fees for the period were £52,000 (2012 - £66,666).

Other relates to secretarial fees, interest charges and payments.

InnDeed Nominee 1 Limited

Notes forming part of the financial statements for the period ended 29 December 2013 (*continued*)

12 Related party transactions (*continued*)

At 30 December 2012, the following amounts are due from/(to) related parties:

	Amounts due from/(to) related parties as at the year end 25 December 2011 £'000	Management fee income/ (charge) £'000	Other £'000	Amounts due from/(to) related parties as at the year end 30 December 2012 £'000
GRS Pub Investments Limited	(222)	(170)	308	(84)
GRS Pub Limited	55	-	(12)	43
Indeed Group Limited	(3,605)	-	(314)	(3,919)

The related party transactions arise as a result of common directors and relates to trading activity during the period.

Other relates to secretarial fees, interest charges and payments.

13 Reconciliation of operating profit to net cash inflow from operating activities

	52 weeks ended 29 December 2013 £'000	52 weeks ended 30 December 2012 £'000
Operating (loss)/profit	(116)	50
Depreciation	282	318
Impairment of fixed assets	33	-
Decrease/(increase) in debtors	168	(161)
Increase/(decrease) in creditors	51	(261)
	<u>418</u>	<u>(54)</u>

InnDeed Nominee 1 Limited

Notes forming part of the financial statements
for the period ended 29 December 2013 (*continued*)

14 Reconciliation of net cash inflow to movement in net debt

	52 weeks ended 29 December 2013 £'000	52 weeks ended 30 December 2012 £'000
Decrease in cash in the year	(51)	(87)
Cash outflow from decrease in debt	690	-
	<hr/>	<hr/>
Change in net debt resulting from cash flows	639	(87)
Opening net debt	(13,637)	(13,550)
	<hr/>	<hr/>
Closing net debt	(12,998)	(13,637)
	<hr/>	<hr/>

15 Analysis of net debt

	At 1 January 2013 £'000	Cash flow £'000	At 29 December 2013 £'000
Cash in hand and at bank	384	(51)	333
Debt due within one year	(14,021)	690	(13,331)
	<hr/>	<hr/>	<hr/>
Total	(13,637)	639	(12,998)
	<hr/>	<hr/>	<hr/>

16 Parent company

As of 29 December 2013 the company's parent company was London Town Plc which is in administration.