

**Orchid StructureCo 2 Limited**  
**Directors' Report**  
**and**  
**Financial Statements**  
**for the**  
**Period Ended 29 December 2012**

**Registered number: 07937851**



## **Orchid StructureCo 2 Limited**

### **Directors' Report for the period from 6 February 2012 to 29 February 2012**

Orchid StructureCo 2 Limited (the "Company") was incorporated in England and Wales on 06 February 2012. The Directors present their Report and Financial Statements for the period from incorporation to 29 December 2012.

#### **Principal activities and business review**

The Company is a wholly owned subsidiary of Orchid StructureCo 1 Limited (the "Parent"), a company registered in England and Wales. As at 29 December 2012 the ultimate controlling party was Mr T S Warren, by virtue of his shareholding in the ultimate parent company, OHP Jersey Limited.

Since incorporation, the Company has operated as a holding company and has not traded.

The Company owns 100% of the Ordinary share capital of Midco 3 Limited (a property leasing group) and Orchid Pubs Holdings Limited (a group of companies operating bars and restaurants ("houses") in the UK).

#### **Results and dividends**

The results of the Company for the period are set out on page 6. The Company produced a loss after tax of £250,000 for the period under review. The Directors do not recommend the payment of a dividend.

#### **Directors**

The Directors who held office during the period and subsequently were as follows:

R King	(appointed 24 February 2012)
M Healy	(appointed 24 February 2012)
J R Hall	(appointed 24 February 2012)
C T Freeman	(appointed 9 February 2012, resigned 24 February 2012)
J Gubbins	(appointed 6 February 2012, resigned 9 February 2012)

#### **Going concern**

The Director's assessment of the Company's ability to continue as a going concern is set out in its statement of accounting policies in note 1.

#### **Political and charitable contributions**

The Company made no political or charitable donations or incurred any political expenditure during the period under review.

#### **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 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.

## **Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

On behalf of the Board

  
**J R Hall**  
**Director**

18 June 2013

Park Mill, Burydell Lane,  
Park Street, St Albans,  
Hertfordshire AL2 2EZ

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## **Orchid StructureCo 2 Limited**

### **Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements**

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)

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 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, and
- 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

## **KPMG LLP**

58 Clarendon Road

Watford

Herts

WD17 1DE

United Kingdom

## **Independent Auditor's report to the members of Orchid StructureCo 2 Limited**

We have audited the financial statements of Orchid StructureCo 2 Limited for the 47 weeks ended 29 December 2012 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on 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 2012 and of its loss for the 47 week period from incorporation,
- 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

### **Opinion on other matter prescribed by the Companies Act 2006**

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

## **Independent Auditor's report to the members of Orchid StructureCo 2 Limited (continued)**

### **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

**Mark Prince (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
58 Clarendon Road  
Watford  
Herts  
WD17 1DE  
United Kingdom

19 June 2013

## Orchid StructureCo 2 Limited

### Profit and Loss Account for the period from 6 February 2012 to 29 December 2012

	Note	For the period 06 February 2012 to 29 December 2012 £'000
Administrative expenses		(250)
<b>Loss on ordinary activities before taxation</b>		<b>(250)</b>
Tax on loss on ordinary activities	4	-
<b>Loss for the financial period after taxation</b>		<b>(250)</b>

All operating losses arose from continuing operations

There is no difference between the results as stated above and as stated on a historical cost basis

There are no recognised gains or losses other than the loss for the period

The notes on pages 8 to 12 form part of the financial statements

# Orchid StructureCo 2 Limited

## Balance Sheet at 29 December 2012

	Note	At 29 December 2012 £'000
<b>Fixed assets</b>		
Investments	5	-
<b>Current assets</b>		
Cash at bank and in hand		-
<b>Net current assets</b>		-
<b>Net assets</b>		-
<b>Capital and reserves</b>		
Called up share capital	6	250
Profit and loss account	7	(250)
<b>Total shareholders' funds</b>		-

The notes on pages 8 to 12 form part of the financial statements

These Financial Statements were approved by the Board of Directors on 18 June 2013 and were signed on its behalf by



J.R. Hall  
Director

Company registration number 07937851



## **Orchid StructureCo 2 Limited**

### **Notes to the financial statements for the period from 6 February 2012 to 29 December 2012**

#### **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

##### **a) Basis of preparation**

The Financial Statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules modified to include the revaluation of certain assets

The Financial Statements incorporate the accounts of the Company and are made up to the nearest Saturday to 31 December. The financial period for 2012 is from incorporation on 6 February 2012 to 29 December 2012.

Under Financial Reporting Standard ("FRS") 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As 100% of the Company's voting rights are controlled within the group headed by OHP Jersey Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of that group (or investees of the group qualifying as related parties). The consolidated Financial Statements of OHP Jersey Limited, within which this Company is included, can be obtained from Park Mill, Burydell Lane, Park Street, St Albans, Hertfordshire, AL2 2EZ.

##### **b) Going concern**

The Company has guaranteed a bank loan of £510,970,000 in Midco 3 Limited and Orchid Pubs Holding Limited.

##### **c) Fixed asset investments**

Fixed asset investments are stated at cost less provision for any diminution in value.

##### **d) Taxation**

The charge for taxation is based on the loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

##### **e) Intra group guarantees**

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

## Orchid StructureCo 2 Limited

### Notes to the financial statements for the period from 6 February 2012 to 29 December 2012 (continued)

#### 2. Notes to the profit and loss account

	06 February to 29 December 2012 £'000
Loss on ordinary activities before taxation is stated after charging.	
Auditor's remuneration	-

The audit fee for the period from incorporation on 6 February 2012 to 29 December 2012 was borne by Orchid Pubs and Dining Limited, a company owned by the same ultimate parent

#### 3. Remuneration of Directors

The Directors who served during the period from incorporation on 6 February 2012 to 29 December 2012 did not receive any remuneration from the Company and the Company made no contribution to their pensions. All Directors who served during the period are Directors of OPD Limited and their remuneration is disclosed in that company's financial statements

#### 4. Taxation

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

	06 February to 29 December 2012 £'000
UK Corporation tax on losses for the period	-
Deferred tax charge	-
Tax on loss on ordinary activities	-

##### (b) Factors affecting the tax charge for the current period

The tax assessed for the period is higher than the standard rate of corporation tax in the United Kingdom (24.50%). The differences are explained below

	06 February to 29 December 2012 £'000
Loss on ordinary activities before tax	(250)
Current tax at 24.50%	(61)
Effects of	
Expenses not deductible for tax purposes	61
Total current tax charge	-

## Orchid StructureCo 2 Limited

### Notes to the financial statements for the period from 6 February 2012 to 29 December 2012 (continued)

#### 4. Taxation (continued)

(c) Factors that may affect future, current and total tax charges -

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce any future deferred tax asset or liability accordingly.

#### 5. Fixed asset investments

The details of the Companies which were subsidiaries of the Company at 29 December 2012 are as follows:

Company name	Principal activity	Share type
Midco 3 Limited	Holding Company	Ordinary 100%
Orchid Pubs Holdings Limited	Holding Company	Ordinary 100%

On 24 February 2012 OHP Jersey Limited sold its entire investment in Midco 3 Limited (being 2 Ordinary Shares of £1.00) and in Orchid Pubs Holdings Limited (being 96,775 Ordinary Shares of £0.01, 6,697,157 Deferred Shares of £1.00 and the share warrant for 3,225 Ordinary Shares of £0.01) to Orchid StructureCo 1 Limited in exchange for 1 Ordinary Share in Orchid StructureCo 1 Limited. Orchid purchased the entire investment in Midco 3 Limited and Orchid Pubs Holdings Limited from StructureCo 1 Limited in exchange for 1 share in the Company.

On the same date the Company also applied for 25,000,000 Ordinary shares of £0.01 in Orchid Pubs Holding Ltd for £250,000.

	£'000
<b>Cost</b>	
At 1 January 2012	-
Additions	250
<b>At 29 December 2012</b>	<b>250</b>
<b>Impairment</b>	
At 1 January 2012	-
Charge for the period	(250)
<b>At 29 December 2012</b>	<b>(250)</b>
<b>Net book value</b>	
<b>At 29 December 2012</b>	<b>-</b>
At 31 December 2011	-

## Orchid StructureCo 2 Limited

### Notes to the financial statements for the period from 6 February 2012 to 29 December 2012 (continued)

#### 6. Called up share capital

The details of the share capital of the Company are as follows

	At 29 December 2012 £
Authorised, Allotted, called up and fully paid	250,002
Ordinary share capital of £1 each	250,002

On 24th February 2012 the Company issued 250,002 fully paid Ordinary shares of £1 00 to Orchid StructureCo 1 Limited

#### 7. Reserves

	Profit and loss account £'000
Loss for the period	(250)
At 29 December 2012	(250)

#### 8. Reconciliation of movement in shareholders' funds

	Incorporation to 29 December 2012 £'000
Loss for the period	(250)
Issue of share capital	250
Net increase in shareholders' funds	-
Opening shareholders' funds	-
Closing shareholders' funds	-

In total the Company issued 250,002 fully paid Ordinary shares of £1 00 to Orchid StructureCo 1 Limited in the period under review

#### 9. Contingent liabilities

The bank loans outstanding in Midco 3 Limited and Orchid Pubs Holding Limited are secured by a fixed and floating charge over the assets of the Company and its subsidiaries. The amount of the loans outstanding at 29 December 2012 in Midco 3 Limited was £467,000,000 and £44,000,000 in Orchid Pubs Holdings Limited

## **Orchid StructureCo 2 Limited**

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### **Notes to the financial statements for the period from 6 February 2012 to 29 December 2012 (continued)**

#### **10. Ultimate parent company and parent undertaking of larger group of which the Company is a member**

At 29 December 2012 the Company's issued share capital is owned by Orchid StructureCo 1 Limited, incorporated in England. The ultimate controlling party was Mr T S Warren, by virtue of his shareholding in the ultimate parent company, OHP Jersey Limited.

The smallest group and largest group in which the results of the Company are consolidated is that headed by OHP Jersey Limited, incorporated in Jersey, and the consolidated Financial Statements of this group are available from Registrar of Companies at the Jersey Financial Services Commission.