

Registered number: 08911549

The Laine Bidco Limited

Annual Report and Financial Statements

For the year ended 30 June 2016



The Laine Bidco Limited

Annual report and financial statements 2016

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The Laine Bidco Limited

Annual report and financial statements 2016

Officers and professional advisers

Directors

M Swindon
B Redmond

Registered office

Park House
Crawley Business Quarter
Manor Royal
Crawley
West Sussex
RH10 9AD

Bankers

Royal Bank of Scotland plc
Kirkstone House
139 St Vincent Street
Glasgow
G2 5JF

Solicitors

SJ Berwin LLP
10 Queen Street Place
London
EC4R 1BE

Independent auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Crawley, United Kingdom

Company Secretary

Deloitte LLP
Chartered Accountants and Statutory Auditor
Crawley, United Kingdom

The Laine Bidco Limited

Strategic report

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Review of the business

The results of the company are shown on page 7. The position of the company at the balance sheet date is shown on page 8.

The company has made a small operating loss in the year as it on-charges most of its costs to its subsidiary company.

Despite the challenging trading conditions that the economy has presented, the group has traded well during FY16 leaving it in a robust position to deal with any such challenges during FY17. With more sites coming on stream in London, the directors are confident that the group and company will trade strongly throughout the coming year.

Key performance indicators

The key performance indicator is the company's charge to The Laine Pub Company Limited for interest and any other intercompany recharges, this was £2,025,318 (2015 - £1,483,422) in the year.

Principal risks and uncertainties

The company is entirely funded by The Laine Midco Limited. As such the principal risks and uncertainties are deemed to be the ongoing support of the parent company to the group, and whilst other risks have been considered they are not included as they are not considered principal risks to this company.

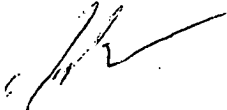
Financial risk management objectives and policies

Liquidity risk is the principal risk facing the company. In order to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance, within this entity and elsewhere within The Laine Acquisition Ltd group.

Future developments and events after the balance sheet date

There have been no events after the balance sheet date.

Approved by the Board and signed on its behalf by:



M Swindon
Director

15th November 2016

Registered office:

Park House
Crawley Business Quarter
Manor Royal
Crawley
West Sussex
RH10 9AD

The Laine Bidco Limited

Directors' report

The directors present their annual report on the affairs of the company, together with the audited financial statements and auditor's report for the year ended 30 June 2016.

Principal activity

The principal activity of the company is as an intermediate holding company.

Principal risks and uncertainties

Details of risks and uncertainties can be found in the Strategic report on page 2 and form part of this report by cross-reference.

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic report on page 2 and form part of this report by cross-reference.

Dividends

The directors do not recommend the payment of a final dividend on the ordinary shares (2015: £nil).

Going concern

The directors have a reasonable expectation that the company, with ongoing support from the group's parent company will continue in operational existence for the foreseeable future. The group was successfully refinanced in June 2014 with new financing consisting of debt and equity finance being introduced with new investments from funds managed by Risk Capital Partners and Graphite Enterprise Trust plc. Bank financing was also renewed with a new long term loan agreement. Further details regarding the adoption of the going concern basis can be found at note 1 to the financial statements.

Directors

The company has not made qualifying third party indemnity provisions for the benefit of its directors during the year. The directors who served throughout the year and to the date of this report were as follows:

M Swindon
B Redmond

Employees

The group makes no distinction between disabled and able-bodied persons in recruiting, employment, training, career development and promotion, provided that any disability does not make the particular employment impractical or not possible under the stringent statutory requirements under which the group operates. The group encourages the involvement of employees by a variety of means. Formal and informal meetings are held to keep employees informed and for the purpose of consulting them. Information is provided through employee notices and bulletins and every opportunity is taken to ensure as far as practicable that employees are fully aware of the financial and other factors which affect the group's performance.

The Laine Bidco Limited

Directors' report

Auditor

Deloitte LLP has expressed their willingness to continue in office as auditor of the company and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting. Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (2) the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

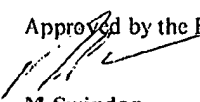
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approval of reduced disclosures

The company, as a qualifying entity, has taken advantage, in respect of its separate financial statements, of the disclosure exemptions in FRS 102 paragraph 1.12. The company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The company also intends to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the company by shareholders holding in aggregate 5 per cent or more of the total allocated shares in the company. They should be served no later than 30 June 2017.

Approved by the Board and signed on its behalf by:


M Swindon
Director
15th November 2016

Registered Office:

Park House
Crawley Business Quarter
Manor Royal
Crawley
West Sussex
RH10 9AD

The Laine Bideo Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of The Laine Bidco Limited

We have audited the financial statements of The Laine Bidco Limited for the year ended 30 June 2016 which comprise profit and loss account, the balance sheet, the statement of changes in equity and the related notes 1 to 15. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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, 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 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 company's affairs as at 30 June 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

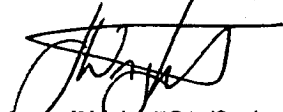
Opinion on other matter prescribed by the Companies Act 2006

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

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.



James Wright, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Crawley, United Kingdom

15 November 2016

The Laine Bidco Limited

Profit and loss account For the year ended 30 June 2016

	Note	For the year ended 30 June 2016 £	For the year ended 30 June 2015 £
Turnover and gross profit	3	628,039	50,804
Administrative expenses		(847,776)	(279,035)
Operating loss		(219,737)	(228,231)
Finance costs			
Interest payable		(1,397,279)	(1,432,618)
Interest receivable		1,397,279	1,432,618
Operating loss on ordinary activities before taxation	5	(219,737)	(228,231)
Tax payable on loss on ordinary activities	6	-	-
Loss for the financial year		(219,737)	(228,231)

Results for both the current financial year and preceding financial period are derived from the continuing operations of the company.

There are no differences between the results above and the historic cost equivalents, therefore no Statement of Comprehensive Income is presented.

The notes on pages 10 - 18 form part of the financial statements.

The Laine Bidco Limited

Balance sheet As at 30 June 2016

	Note	As at 30 June 2016 £	Restated* As at 30 June 2015 £
Fixed assets			
Investments	7	622,986	622,986
		<u>622,986</u>	<u>622,986</u>
Current assets			
Debtors:			
- amounts falling due after more than one year	9	21,269,628	19,872,350*
Cash		10,916	-
		<u>21,280,544</u>	<u>19,872,350</u>
Creditors: amounts falling due within one year	10	<u>(1,544,752)</u>	<u>(1,027,063)*</u>
Net current assets		<u>19,735,792</u>	<u>18,845,287</u>
Total assets less current liabilities		<u>20,358,776</u>	<u>19,468,273</u>
Creditors: amounts falling due after more than one year	11	<u>(20,797,681)</u>	<u>(19,687,438)*</u>
Net (liabilities)		<u>(438,902)</u>	<u>(219,165)</u>
Capital and reserves			
Called up share capital	12	9,066	9,066
Profit and loss		<u>(447,968)</u>	<u>(228,231)</u>
Shareholders' (liability)		<u>(438,902)</u>	<u>(219,165)</u>

* Restated: see note 11

The financial statements of The Laine Bidco Limited (registered number 08911549) were approved by the Board of Directors and authorised for issue on 15th June 2016.

They were signed on its behalf by:



M Swindon
Director

The Laine Bidco Limited

Statement of changes in equity At 30 June 2016

	Called-up share capital £	Profit and loss account £	Total £
At 30 June 2014 as previously stated	10,009	-	10,009
Changes on transition to FRS 102 (see note 15)	-	-	-
At 1 July 2014 as restated	10,009	-	10,009
Loss for the financial year		(228,231)	(228,231)
Total comprehensive income	-	(228,231)	(228,231)
Reversal of share capital	(943)	-	(943)
At 30 June 2015	9,066	(228,231)	(219,165)
Loss for the financial year	-	(219,737)	(219,737)
Total comprehensive income	-	(219,737)	(219,737)
At 30 June 2016	9,066	(447,968)	(438,902)

The Laine Bidco Limited

Notes to the financial statements For the year ended 30 June 2016

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

General information and basis of accounting

The Laine Bidco Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 15.

The functional currency of The Laine Bidco Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Laine Bidco Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Laine Bidco Limited is consolidated in the financial statements of its ultimate parent, The Laine Acquisition Limited, which may be obtained at Park House, Crawley Business Quarter, Manor Royal, Crawley, West Sussex, RH10 9AD.

Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement, financial instruments, related parties and remuneration of key management personnel.

Consolidation

The officers have taken advantage of the exemption from the requirement to prepare group accounts under S402 of the Companies Act 2006 as under section 405 all of its subsidiary undertakings could be excluded from consolidation in Companies Act group accounts.

Going concern

In preparing these financial statements the directors have considered the appropriateness of the going concern basis. In forming their view, the Directors have conducted a detailed review of the trading prospects of the company and group for the 12 months from the date of signing the accounts, including sensitivity analysis, in order to assess the company's and group's funding requirements and its ability to comply with the covenants attached to the lending received from the bank.

The company is showing net current assets of £19,735,792 (2015 - £18,845,287), and net liabilities of £438,902 (2015 - £219,165) at the balance sheet date.

At the balance sheet date and to the date the balance sheet was approved by the board, the group has not breached any of its banking covenants in the period and is not forecast to do so and is not forecast to do so even when sensitised to cover any reasonable adverse downturn in trade.

The directors have a reasonable expectation that the company, with ongoing support from the group's parent company, and group have adequate resources to continue in operational existence for the next 12 months and the foreseeable future. Thus they adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover represents the amounts receivable for goods and services net of VAT and trade discounts. Turnover represents a management charge based on a mark up against certain costs incurred, and is recognised at the point these are invoiced to group companies.

The Laine Bidco Limited

Notes to the financial statements (continued) **For the year ended 30 June 2016**

1. Accounting policies (continued)

Taxation

Current UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is not provided on unremitted earnings where there is no binding commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Investments

Fixed asset investments held by the company are shown at cost less provisions for any impairment.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are measured at amortised cost using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Equity instruments

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

Interest Receivable

Interest income is recognised when it is probable that the economic benefit will flow to the Group and, the amount if revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The Laine Bidco Limited

Notes to the financial statements (continued) For the year ended 30 June 2016

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Recoverability of intercompany receivables

The company loaned cash to The Laine Pub Company Limited at the date of refinancing in FY14. This is not recoverable until the date of any future refinancing and is covered by an intercreditor agreement. The directors have considered the recoverability of the intercompany loans and consider them to be fully recoverable.

The Laine Bidco Limited

Notes to the financial statements (continued) For the year ended 30 June 2016

3. Turnover

The total turnover of the company, all of which arises in the United Kingdom, is attributable to its principal activity and is stated net of value added tax.

4. Information regarding directors and employees

	2016 £	2015 £
Directors' remuneration		
Emoluments	574,506	45,114

The aggregate emoluments of the highest paid director during the year was £167,959 (2015 - £13,304 1 month). The company made no pension contributions on his behalf during the current year.

	No.	No.
Average full time equivalent monthly number of persons employed (including directors)		
Management and administration	0.4	0.3
	0.4	0.3
	£	£
Staff costs during the year (including directors)		
Wages and salaries	574,506	45,114
Social security costs	59,876	6,204
	634,382	51,318

Other than the directors, the company had no employees in either the current or preceding financial year.

5. Loss on ordinary activities before taxation

	2016 £	2015 £
Loss on ordinary activities before taxation is stated after charging:		
Management fees charged to group undertakings	628,039	50,804
Amortisation of loan issue costs	212,974	212,974
Intercompany loan interest charged to group undertakings	1,397,279	1,432,618

The audit fee of £4,000 (2015 - £4,000) has been borne by The Laine Pub Company Limited, the company's subsidiary undertaking.

The Laine Bidco Limited

Notes to the financial statements (continued) For the year ended 30 June 2016

6. Tax charge on loss on ordinary activities

The tax charge comprises:

	2016 £	2015 £
Current tax		
United Kingdom corporation tax at 20% (2015 – 20.75%) based on the taxable loss for the year	-	-
Total current tax charge	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Adjustment in respect of prior years	-	-
Effect of change in tax rate	-	-
Total deferred tax (credit)	-	-
Total tax charge for the year	-	-

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2016 £	2015 £
Loss on ordinary activities before taxation	(219,737)	(228,231)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 – 20.75%)	(43,947)	(47,359)
Effects of:		
Income not taxable for tax purposes	(122,951)	(94,539)
Group relief not paid for	167,193	138,839
Unrecognised deferred tax on losses	(295)	-
Group relief	-	3,059
Total actual amount of current tax	-	-

The Laine Bidco Limited

Notes to the financial statements (continued) For the year ended 30 June 2016

7. Fixed asset investments

	Shares in subsidiary undertakings £
Cost and net book value	
At 30 June 2016 and at 30 June 2015	<u>622,986</u>

The following subsidiary undertakings are involved directly or indirectly in the group's principal activities but are not consolidated in these company financial statements.

Subsidiary undertaking	Country of incorporation and operation	% of ordinary share capital and voting rights owned by the group	Principal Activity
The Laine Pub Company Limited	England & Wales	100%	Pub operator
C-Side (Holdings) Limited*	England & Wales	100%	Holding company
Zelgrain Limited*	England & Wales	100%	Pub operator
C-Side Limited *	England & Wales	100%	Pub operator
The Laine Brewing Company Limited *	England & Wales	100%	Brewery

The registered address for all subsidiaries is Park House, Crawley Business, Quarter Manor Royal, Crawley, West Sussex, RH10 9AD.

* - indicates indirect holding in subsidiaries

Associate undertaking

Mash Inns Limited*	England & Wales	49%	Pub Operator
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The Group has a 49% interest in Mash Inns Limited, an associate governed by English Law. Mash Inns Limited registered address is 3 Monkspath Hall Road, Solihull, West Midlands, United Kingdom, B90 4SJ.

* - indicates indirect holding in associates

8. Finance costs

	2016 £	2015 £
Interest payable and similar charges:		
Bank loan and overdraft interest	339,814	406,636
Group on-charge of loan note and preference share interest	<u>1,057,465</u>	<u>1,025,982</u>
	<u>1,397,279</u>	<u>1,432,618</u>

9. Debtors: amounts due after more than one year

	2016 £	2015 Restated £
Due within 2-5 years:		
Intercompany loan notes	10,630,908	10,630,908
Intercompany preference shares	5,694,949	5,694,949
Intercompany loans (*see note 11)	<u>4,943,771</u>	<u>3,546,492*</u>
	<u>21,269,628</u>	<u>19,872,349</u>

The intercompany loan notes, preference shares loans are repayable at the date of refinancing.

The Laine Bidco Limited

Notes to the financial statements (continued) For the year ended 30 June 2016

10. Creditors: amounts falling due within one year

	2016	2015
	£	Restated £
Bank loan due within 1 year	1,500,000	1,000,000
Other creditors	27,010	26,550
Intercompany (*see note 11)	17,742	513*
	<u>1,544,752</u>	<u>1,027,063</u>

11. Creditors: amounts falling due after more than one year

	2016	2015
	£	Restated £
Bank loan:		
- Due within 1-2 years	1,500,000	1,500,000
- Due within 2-5 years	3,600,000	5,100,000
Loan arrangement fees	(512,994)	(725,963)
Intercompany loan note	16,210,675	13,813,401*
	<u>20,797,681</u>	<u>19,687,438</u>

The bank loan and committed bank overdraft are secured by fixed and floating charges over the group's properties, book debts and other assets. The terms of the loans restrict the group from making significant acquisitions or disposals without the consent of the lender. The interest payable on the bank facilities varies between 4.25% and 4.75% above LIBOR.

The intercompany loan notes are repayable at the date of refinancing.

* In the prior year 2015 the intercompany loans and intercompany loan notes were incorrectly shown. The 2015 balance sheet has been restated to reflect the correct disclosure of these figures under the group intercreditor agreement. The impact of the restatement has had £nil impact on the net assets of the company or the profit and loss account for the period ended 30 June 2015; it simply reclassified the balance between short and long term assets and liabilities.

The Laine Bidco Limited

Notes to the financial statements (continued) For the year ended 30 June 2016

12. Called up share capital

	2016	2015
Company	£	£
Called up, allotted and partly paid:		
9,066 'A' ordinary shares of £1 each, fully paid	9,066	9,066

On incorporation the authorised share capital of the company was £1 comprising 1 ordinary share of £1 each, ordinary shares as described above. Particulars of the rights of each class of share are as follows:

Dividends: any dividend paid shall belong to and be paid to the shareholders (pari passu) in proportion to the number of shares held by them.

Capital: on a winding up of the company or on a reduction or return of capital, the assets of the company remaining after the settlement of its debts and costs of winding up or reduction or return of capital shall be applied in the following manner and order of priority:

- i) first, in paying the preference shareholders a sum equal to the subscription price on each share and any arrears on each preference share calculated to the date of payment; if there are insufficient holdings for such payment in full, pro-rata in accordance with the holdings of each preference shareholder;
- (ii) secondly, in distributing the balance amongst the ordinary shareholders, in proportion to the number of equity shares held by them and as if they were all holders of shares of the same class.

Voting: shares rank pari passu

13. Related party transactions and controlling entity

The company has taken advantage of the exemption made available in section 33 of FRS 102 not to disclose transactions that eliminate on consolidation. The ultimate parent undertaking is The Laine Acquisition Limited, a company registered in England and Wales.

Following the refinancing of the group the directors consider there to be no controlling party of the company.

Copies of the accounts of The Laine Acquisition Limited, which consolidate the results of The Laine Bidco Limited, can be obtained from Companies House, Crown Way, Maundy, Cardiff, CF14 3UZ

14. Derivatives

The following details the notional principal amount and remaining term of interest rate swap contracts outstanding at the reporting date.

	Notional Principle value		Fair value	
	2016	2015	2016	2015
	£	£	£	£
2 to 5 years	4,335,500	4,735,700	15,204	14,744

The group uses the derivatives to manage its exposure to interest rate movements on its bank balances. The fair values are based on market values of equivalent instruments at the balance sheet date.

The interest rate swap contracts with nominal values of £15,204 have fixed interest payments at an average rate of 2% (2015: 2%) for periods up until 2019 and have floating interest rates at LIBOR plus 4.25%.

The Laine Bidco Limited

Notes to the financial statements (continued) For the year ended 30 June 2016

15. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 30 June 2014 and the date of transition to FRS 102 was therefore 1 July 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard. The derivatives were included at fair value in the financial statements, the interest rate swap is not recognised in the FY14 financial statements as there was none in place at the date of transition, therefore the fair value has been included as at FY15, see below.

Reconciliation of equity

Note	At 1 July 2014 £	At 30 June 2015 £
Equity reported under previous UK GAAP	10,009	(204,421)
Adjustments to equity on transition to FRS 102		
1 Recognition of interest rate swap fair value	-	14,744
Equity reported under FRS 102	10,009	(219,165)

Notes to the reconciliation of equity at 1 July 2014

The derivatives were included at fair value in the financial statements, the interest rate swap is not recognised in the FY14 financial statements as there was none in place at the date of transition, therefore the fair value has been included as at FY15, see below.

Reconciliation of profit or loss for FY15

Note	£
Loss for the financial year under previous UK GAAP	(204,421)
1 Recognition of interest rate swap fair value	(14,744)
Loss for the financial year under FRS 102	(219,165)

Notes to the reconciliation of profit or loss for FY15

The derivatives were included at fair value in the financial statements, the interest rate swap is not recognised in the FY14 financial statements as there was none in place at the date of transition, therefore the fair value has been included as at FY15.