

REGISTAR

Registered number: 10661826

BEDS & BARS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 MARCH 2019



BEDS & BARS GROUP LIMITED

COMPANY INFORMATION

Directors

Mr K C Knowles
Mr L C Knowles
Mr M C Roberts
Mr A D Searle

Registered number

10661826

Registered office

Overlord House
1D Colet Gardens
Hammersmith
London
England
W14 9DH

BEDS & BARS GROUP LIMITED

CONTENTS

	Page
Group strategic report	1 - 4
Directors' report	5 - 7
Independent auditors' report	8 - 10
Consolidated statement of comprehensive income	11 - 12
Consolidated statement of financial position	13 - 14
Company statement of financial position	15
Consolidated statement of changes in equity	16 - 17
Company statement of changes in equity	18
Consolidated Statement of cash flows	19 - 20
Notes to the financial statements	21 - 53

BEDS & BARS GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 30 MARCH 2019

Introduction

The directors present the strategic report for the year ended 30 March 2019.

Fair review of the business

The directors are pleased to report that once again the Beds & Bars group has enjoyed a strong performance for the year under review. This has been achieved against the backdrop of further increased costs pressures arising from legislation, including the NLW, Pension contribution, rent and Business Rates increase in the UK as well as across the group in EU. In mitigation, the subsequent strengthening in the Euro post the Brexit referendum has offset some of the above effects. We have once more proved the resilience of our business model by absorbing these impacts and continuing to grow the business.

We wish to recognise the efforts of our fellow colleagues and team members who have proved time and time again their ability to rise to these challenges and continue to provide the service to our guests for which we are renowned. The Group maintained the commitment to developing our team at all levels which is demonstrated by the Group achieving second time and maintaining Investors in People Platinum status, one of only 7 companies in the UK to do so.

The Group's trading improved significantly during the year under review with investment projects in our existing estate coming on line, with a marked increase in accommodation sales plus strong growth in F&B.

We have seen a consistency in the Euro during the year with the exchange rate moving to 1.1649 versus 1.1604 in the prior year. Group Turnover increased by 5.74% year on year, rising to £54.9 million in FY19 from £51.9 million in FY18 at constant exchange rates (reported turnover, £51.9 million in FY18). Group EBITDA rose by 16.5% to £6.1million from £5.2 million at constant exchange rates (reported EBITDA £2.2 million in FY18).

As part of group's growth plan, we invested in our existing estate. In particular, the refurbishment and extension of "The Winston Hotel" in Amsterdam has added to the bed stock (of 16 beds) at the site and transformed the bar and restaurant experience. We refurbished two sites in our UK estate, Camden and Greenwich, and invested £700K in these projects. The group has taken a new site on long term lease in Edinburgh and refurbished it with £2.5M spend. The group also have refurbished a site in Amsterdam with €2M spend.

We also have three projects of refurbishment in the UK, Berlin and Paris estate including Hammersmith, Berlin Alexanderplatz and Paris Canal planned in 2019.

The group acquired an on-going business in Berlin in June 2019 for €3M and plan to invest further €1M in refurbishment.

We have maintained our investment in our technology by introducing languages for the booking engine. We have invested to improve the hosting infrastructure to improve the efficiency of booking journey and reduce the downtime.

Despite the political, economic and competitive pressures the Group is well positioned to continue to grow in the next few years and is looking to expand its reach in Europe and beyond. To this end, since the year end we have partnered with a new property fund to identify and acquire properties for development. Once completed, we would then enter into a long term lease with the fund and operate our business under our renowned brands.

BEDS & BARS GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 30 MARCH 2019

Business risk

The Beds & Bars group has operated in the hospitality industry for 57 years. The long term strategy of diversifying our operations to major European capitals has been vindicated.

The Group has been able to withstand both economic influences and terrorist atrocities given the geographical spread of our units and the focus on our widening client base who look for a shared experience at a competitive price point. Beds and Bars has at its core an understanding of the needs of its customers and is focussed on delivering a Fun, Safe, Secure and Good Value experience, along with total commitment to developing our team at all levels.

The group's commitment to people development is also underlined by its "Rising Star" programme where team members from all areas and levels of the business are taken through a rigorous development programme, culminating in the presentation of Business improvement ideas. As in previous years the board have invested in bringing some of these ideas into fruition.

The sector has been impacted by the growth of aggregator websites (OTA's) which direct traffic away from operators' own web sites and put pressure on margins. In 2016 the group launched a major initiative to combat the incursion of OTA's which has seen a positive swing in booking source in favour of our direct channel. The group will continue to combat this challenge and will continue to invest in our own booking engine and its SEO management.

The Group regularly reviews pricing and competitive offers in its target markets through its sophisticated Yield Management system and maximises the use of its own platforms with special offers and promotions aimed at strengthening Brand recognition and loyalty.

Beds and Bars commitment to the development of its technology platforms and on-line capabilities reduces its reliance on OTA's. Management are focussed on enhancing the resilience of its technology infra-structure: It manages this by using third party service providers operating under service level agreements as a compliment to its in-house teams. The systems are regularly reviewed and appropriate back-up arrangements are maintained.

As an established player and with the strength of its branded presence and focus on the guest experience Beds and Bars is well placed to protect its unique market position.

Whilst demand in the Backpacker market is projected to grow over the next few years, there is a growing interest by the private equity (PE) funds in this market. The Group is focussed on providing a premium social experience for its guests which research shows is one of the most important factors that guests have when deciding where to stay. The Group has over 10 million user interactions through web and social interface every year.

Beds and Bars aims to expand its business by adding to its existing estate as well as investing in new sites across Europe. The management team have a strong track record in developing new and existing sites.

The Group attracts travellers from all over the world and thus is exposed to exchange rate fluctuations. The Group offers guests the ability to pay in their own currencies but ensures that prices are updated regularly to mitigate the exchange risk.

The so called Brexit continues to be an unknown. However, with our Pan-European guest offering we are as well placed as any to manage any political or economic changes that may take place.

BEDS & BARS GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 30 MARCH 2019

Financial risk

Beds and Bars has funded the development of its business through retained profits and bank facilities. The bank loans have variable interest rates which track a mixture of Bank base rates, LIBOR and Euribor. Thus any increases in those Base rates will increase the cost of finance and therefore impact the net profit of the company. The group regularly reviews both its interest hedging and currency risk. Our relationship with HSBC as our sole UK banker remains excellent and our bankers are regularly updated with our performance and plans.

The ability to raise finance for new development is dependent on business performance and the resulting cash available to invest. The Group maintains strong controls to ensure that it does not over extend itself, has the requisite resources in place and is able to satisfy its banking covenants.

The Group has the benefit of a number of prime freehold properties.

The Group is exposed to short-term cancellation of bookings. In mitigation management ensure that a non-refundable deposit is taken at the time of booking and encourages full payment in advance through, amongst other things, the fixing of exchange rates. All guests must pay in full before beds are made available except in a small number of cases where credit is offered to approved agents.

Health and Safety

Health and Safety is at the core of our business. The Health and Safety Strategy (H&S Strategy) supports the strategic and operational management of the group and looks to go beyond the traditional role of preventing harm. The H&S Strategy commits the group to continually improve the health and safety environment for its staff and customers. The H&S Strategy is not just about achieving compliance, but will assist in realising:

- Efficient, proactive and pragmatic ways of keeping all our staff, customers, sub-contractors and visitors safe.
- A robust health and safety culture across the group
- Effective means of protecting stakeholders, including staff, customers and visitors from harm. The H&S Strategy describes in broad terms what our approach to health and safety is and what we intend to do which is closely monitored and tested unit by unit and updated on a regular basis.

Data Protection

The Directors believe that they have robust data protection procedures in place. However this is an ever more complex area and the Group continually reviews and upgrades its defences against attack. In addition to its in-house team the Directors engage external consultants to ensure that the group is fully compliant with relevant legislation.

Group has gone through (in previous year) significant review and corrective measures to ensure the data security of its stakeholders in the wake of recent GDPR regulation. Directors are very pleased with the progress.

Key performance indicators

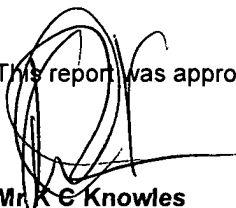
The board use a number of indicators to track the performance of the company (KPIs). These include, amongst others: weekly turnover, no of beds sold per division (1.140 million in current year), accommodation, food and beverage gross margins, revenues by booking channel, EBITDA performance by site and customer review data. The KPIs are reviewed on a weekly and monthly basis and compared to budget and prior years' performance.

BEDS & BARS GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 MARCH 2019

This report was approved by the board on 23/12/2019

and signed on its behalf.



Mr R C Knowles
Director

BEDS & BARS GROUP LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 MARCH 2019

The directors present their report and the financial statements for the period ended 30 March 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 for the Group's financial statements 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;
- 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 to 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.

Results and dividends

The profit for the period, after taxation and minority interests, amounted to £6,717,802 (2018 - £1,368,023).

The results for period are set out on pages 11 to 12.

Ordinary dividends amount to £229,226 were paid to non-controlling interests in Barcelona as per shareholders agreement (2018 - £221,928 paid to non-controlling interests in Barcelona). The directors do not recommend payment of a further dividend.

Directors

The directors who served during the period were:

Mr K C Knowles
Mr L C Knowles
Mr M C Roberts
Mr A D Searle

Political contributions

The group has made no political donations in the current or comparative year.

BEDS & BARS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 30 MARCH 2019

Employee involvement

The Beds & Bars Group has continued to invest in people at all levels in the organisation, as we see this as a key factor in maintaining and improving performance in all aspects of the business. The emphasis on internal development through our award winning footsteps training programme, as well as encouraging employees to take an active role in their career, has helped to ensure ongoing employee engagement and retention. It has also helped to ensure that the majority of our new managers are promoted from within, having successfully come through training programme.

In addition, we have continued to invest in our employee rewards systems. Performance related bonus schemes, together with the development of our employee benefits package, has continued to ensure our success in both retaining and recruiting the best employees in the hospitality market.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

Matters covered in the strategic report

The group has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the group's Strategic Report information required by Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008, Sch.7 to be contained in the Directors' Report.

Disclosure 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 the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

BEDS & BARS GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 MARCH 2019**

Post balance sheet events

Subsequent to the year end, the Group has purchased a new operating unit in Berlin for €3M and spent a further €1M on refurbishment.

Auditors

On 1 June 2019 Elman Wall Limited transferred its business to a new company which acquired the audit practice and commenced to trade. Following a change of name, the new company Elman Wall Limited was appointed as auditors in succession and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23/12/2019 and signed on its behalf.



Mr K C Knowles
Director

BEDS & BARS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEDS & BARS GROUP LIMITED

Opinion

We have audited the financial statements of Beds & Bars Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 30 March 2019, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 March 2019 and of the Group's profit for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

BEDS & BARS GROUP LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEDS & BARS GROUP LIMITED
(CONTINUED)**

knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

BEDS & BARS GROUP LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEDS & BARS GROUP LIMITED
(CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Other matters

The financial statements of Beds & Bars Group Limited for the year ended 31 March 2018, were audited by another auditor who expressed an unmodified audit opinion on those statements on 25th October 2019.

Use of our report

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.



Karanjit Gill (Senior statutory auditor)

for and on behalf of
Elman Wall Limited

Chartered Accountants
Statutory Auditor

36 Old Jewry
London
EC2R 8DD

Date: 23/12/2019

BEDS & BARS GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 MARCH 2019**

	Note	2019 £	2018 £
Turnover	4	54,915,985	51,935,764
Cost of sales		(9,748,176)	(9,536,794)
Gross profit		45,167,809	42,398,970
Administrative expenses		(41,742,391)	(39,629,251)
Profit on disposal of lease		7,695,176	-
Other operating income	5	-	14,745
Operating profit	6	11,120,594	2,784,464
EBITDA before exceptional items:			
Operating profit as above		11,120,594	2,784,464
Depreciation of tangible fixed assets	16	2,521,826	2,359,579
Amortisation and impairment of goodwill	15	158,774	160,334
Amortisation of negative goodwill	15	(15,568)	(15,568)
Profit on disposal of lease		(7,695,176)	-
EBITDA		6,090,450	5,288,809
Income from shares in group undertakings			7,428
Amounts written off investments		75,000	-
Interest receivable and similar income	11	1,085	-
Interest payable and expenses	12	(748,825)	(720,500)
Profit before taxation		10,447,854	2,071,392
Tax on profit	13	(3,389,551)	(127,692)
Profit for the financial period		7,058,303	1,943,700
Currency translation differences		(330,069)	(177,709)
Other comprehensive income for the period		(330,069)	(177,709)
Total comprehensive income for the period		6,728,234	1,765,991

BEDS & BARS GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE PERIOD ENDED 30 MARCH 2019

Profit for the year attributable to:

Non-controlling interests	340,501	575,677
Owners of the parent Company	6,717,802	1,368,023
	7,058,303	1,943,700

Total comprehensive income for the period attributable to:

Non-controlling interest	312,927	623,148
Owners of the parent Company	6,415,307	1,142,843
	6,728,234	1,765,991

The notes on pages 21 to 53 form part of these financial statements.

BEDS & BARS GROUP LIMITED
REGISTERED NUMBER: 10661826

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 MARCH 2019

	Note	30 March 2019 £	31 March 2018 £
Fixed assets			
Intangible assets	15	3,005,228	3,223,541
Tangible assets	16	39,612,259	38,374,243
Investments	17	91,501	91,501
		<u>42,708,988</u>	<u>41,689,285</u>
Current assets			
Stocks	18	355,357	319,183
Debtors	19	5,005,811	5,061,096
Cash at bank and in hand	20	8,839,685	3,431,913
		<u>14,200,853</u>	<u>8,812,192</u>
Creditors: amounts falling due within one year	21	(18,312,443)	(13,664,929)
Net current liabilities		<u>(4,111,590)</u>	<u>(4,852,737)</u>
Total assets less current liabilities		<u>38,597,398</u>	<u>36,836,548</u>
Creditors: amounts falling due after more than one year	22	(19,889,463)	(20,090,920)
Provisions for liabilities			
Deferred taxation	26	(1,918,867)	(1,610,671)
		<u>(1,918,867)</u>	<u>(1,610,671)</u>
Net assets excluding pension asset		<u>16,789,068</u>	<u>15,134,957</u>
Net assets		<u>16,789,068</u>	<u>15,134,957</u>
Capital and reserves			
Called up share capital	27	313,885	313,885
Revaluation reserve	28	8,209,099	8,209,099
Other reserves	28	219,916	219,916
Profit and loss account	28	8,728,061	7,157,651
Equity attributable to owners of the parent Company		<u>17,470,961</u>	<u>15,900,551</u>
Non-controlling interests		(681,893)	(765,594)
		<u>16,789,068</u>	<u>15,134,957</u>

BEDS & BARS GROUP LIMITED
REGISTERED NUMBER: 10661826

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 MARCH 2019

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



23/12/2019

Mr K C Knowles
Director

The notes on pages 21 to 53 form part of these financial statements.

BEDS & BARS GROUP LIMITED
REGISTERED NUMBER: 10661826

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 MARCH 2019

	Note	30 March 2019 £	31 March 2018 £
Fixed assets			
Investments	17	1,773,826	1,773,826
		<u>1,773,826</u>	<u>1,773,826</u>
Current assets			
Debtors	19	1	1
		<u>1</u>	<u>1</u>
Creditors: amounts falling due within one year	21	(778,902)	(571,592)
Net current liabilities		<u>(778,901)</u>	<u>(571,591)</u>
Total assets less current liabilities		<u>994,925</u>	<u>1,202,235</u>
Creditors: amounts falling due after more than one year	22	(751,703)	(926,148)
Net assets excluding pension asset		<u>243,222</u>	<u>276,087</u>
Net assets		<u>243,222</u>	<u>276,087</u>
Capital and reserves			
Called up share capital	27	313,885	313,885
Profit and loss account brought forward		(37,798)	-
Loss for the period		(32,865)	(37,798)
Profit and loss account carried forward		(70,663)	(37,798)
		<u>243,222</u>	<u>276,087</u>

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

Mr K C Knowles
 Director

The notes on pages 21 to 53 form part of these financial statements.

BEDS & BARS GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 MARCH 2019**

	Called up share capital	Revaluation reserve	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 April 2018	313,885	8,209,099	219,916	7,157,651	15,900,551	(765,594)	15,134,957
Comprehensive income for the period							
Profit for the period	-	-	-	6,717,802	6,717,802	340,501	7,058,303
Currency translation differences on overseas subsidiaries	-	-	-	(330,069)	(330,069)	-	(330,069)
Adjustment in respect of non-controlling interests	-	-	-	(4,844,897)	(4,844,897)	-	(4,844,897)
Amounts attributable to non-controlling interests	-	-	-	27,574	27,574	(27,574)	-
Other comprehensive income for the period	-	-	-	(5,147,392)	(5,147,392)	(27,574)	(5,174,966)
Total comprehensive income for the period	-	-	-	1,570,410	1,570,410	312,927	1,883,337
Dividends	-	-	-	-	-	(229,226)	(229,226)
Total transactions with owners	-	-	-	-	-	(229,226)	(229,226)
At 30 March 2019	313,885	8,209,099	219,916	8,728,061	17,470,961	(681,893)	16,789,068

The notes on pages 21 to 53 form part of these financial statements.

BEDS & BARS GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2018**

	Called up share capital	Revaluation reserve	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 April 2017	313,885	8,209,099	219,916	6,014,808	14,757,708	(1,166,814)	13,590,894
Comprehensive income for the year							
Profit for the year	-	-	-	1,368,023	1,368,023	575,677	1,943,700
Currency translation differences on overseas subsidiaries	-	-	-	(177,709)	(177,709)	-	(177,709)
Amounts attributable to non-controlling interests	-	-	-	(47,471)	(47,471)	47,471	-
Other comprehensive income for the year	-	-	-	(225,180)	(225,180)	47,471	(177,709)
Total comprehensive income for the year	-	-	-	1,142,843	1,142,843	623,148	1,765,991
Dividends	-	-	-	-	-	(221,928)	(221,928)
Total transactions with owners	-	-	-	-	-	(221,928)	(221,928)
At 31 March 2018	313,885	8,209,099	219,916	7,157,651	15,900,551	(765,594)	15,134,957

The notes on pages 21 to 53 form part of these financial statements.

BEDS & BARS GROUP LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 MARCH 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	313,885	-	313,885
Comprehensive income for the year			
Loss for the year	-	(37,798)	(37,798)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(37,798)	(37,798)
	<hr/>	<hr/>	<hr/>
At 1 April 2018	313,885	(37,798)	276,087
Comprehensive income for the year			
Loss for the period	-	(32,865)	(32,865)
	<hr/>	<hr/>	<hr/>
At 30 March 2019	313,885	(70,663)	243,222
	<hr/>	<hr/>	<hr/>

The notes on pages 21 to 53 form part of these financial statements.

BEDS & BARS GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 MARCH 2019**

	30 March 2019 £	31 March 2018 £
Cash flows from operating activities		
Profit for the financial period	7,058,303	1,943,700
Adjustments for:		
Amortisation of intangible assets	143,207	144,766
Depreciation of tangible assets	2,511,482	2,359,579
Finance costs	748,671	720,500
Investment income	(1,085)	(7,428)
Taxation charge	3,389,551	127,692
(Increase) in stocks	(36,174)	(20,957)
Decrease/(increase) in debtors	1,855,355	(1,397,029)
Increase in creditors	1,119,556	2,199,237
Corporation tax (paid)	(208,266)	(246,754)
Interest paid	(748,671)	(713,181)
Profit on disposal of tangible fixed assets	(7,695,176)	-
(Profit)/loss on disposal of a business	10	-
Foreign exchange losses	269,637	-
Other (gains)/losses	(75,000)	-
Net cash generated from operating activities	8,331,400	5,110,125
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,749,497)	(6,505,823)
Sale of tangible fixed assets	-	8,244
Income from investments in related companies	1,085	7,428
Purchase of business	75,106	-
Net cash from investing activities	(3,673,306)	(6,490,151)

BEDS & BARS GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 30 MARCH 2019

	30 March 2019 £	31 March 2018 £
Cash flows from financing activities		
Proceeds from borrowings	512,939	4,152,189
Repayment of borrowings	-	(2,355,754)
Release/(payment) of finance lease obligations	542,846	(45,925)
Dividends paid to non controlling interests	(229,226)	(221,928)
Net cash used in financing activities	826,559	1,528,582
Net increase in cash and cash equivalents	5,484,653	148,556
Cash and cash equivalents at beginning of period	3,431,913	3,642,288
Foreign exchange gains and losses	(76,881)	(358,931)
Cash and cash equivalents at the end of period	8,839,685	3,431,913
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	8,839,685	3,431,913
	8,839,685	3,431,913

The notes on pages 21 to 53 form part of these financial statements.

BEDS & BARS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 MARCH 2019

1. General information

Beds & Bars Group Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The address of the registered office is Overlord House, 1D Colet Gardens, Hammersmith, London, England, W14 9DH.

The group consists of Beds & Bars Group Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The group is not entitled to take the Qualifying Entity exemptions detailed in paragraph 1.12 of FRS 102 however the company in its individual financial statements has taken advantage of the following disclosure exemptions:

- The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv).
- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial statements presentation paragraph 3.17(d).
- The requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A providing the equivalent disclosures required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.
- The requirement of Section 33 Related Party Disclosures paragraph 33.7.

The following principal accounting policies have been applied:

BEDS & BARS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 MARCH 2019

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements incorporate those of Beds & Bars Group Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method, except where stated below. Their results are incorporated from the date that control passes.

The company acquired 100% of the ordinary share capital of Beds & Bars Limited in a share for share exchange as part of a group reconstruction on 30 March 2017. As the business combination meets the definition of a group reconstruction, Beds & Bars Group Limited has applied merger accounting under section 19 of FRS 102 where the controlling party was the same before and after the transaction. In line with the requirement of merger accounting the consolidated financial statements have been prepared as if the group had always been in existence.

The requirements of merger accounting state that the difference, if any, between the nominal value of the shares issued plus the fair value of any other consideration given, and the nominal value of the shares received in exchange shall be shown as a movement on other reserves in the consolidated financial statements. Any existing balances on the share premium account of the new subsidiary shall be brought in by being shown as a movement on other reserves. These movements shall be shown in the statement of changes in equity.

The directors consider it is appropriate to use merger accounting to present consolidated information for the group as if the new legal structure had always existed. This will be necessary to ensure that the shareholders receive useful information about their investment on an ongoing basis, recognising that there has been no change in the substance of their investment.

The directors consider that the alternative approach of acquisition accounting, with the restatement of separable assets and liabilities to fair values, the creation of goodwill and inclusion of post reorganisation results only, would not give a true and fair view of the group results and financial position. The substance of the transaction was not the acquisition of a business but a group reconstruction under which a new holding company has been established with the former controlling party of Beds & Bars Limited having the same control in the new holding company as they had previously held in Beds & Bars Limited. The directors consider that it is not practicable to quantify the effect of this departure from the requirements of the Companies Act 2006.

All financial statements are made up to 30 March 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Outside the requirements of merger accounting, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

2. Accounting policies (continued)

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

2.3 Going concern

The financial statements have been prepared on a going concern basis.

The group is financed by long term funding of £11 million from HSBC (drawn down on 31 March 2015) with further facilities of £500k drawn down in May 2016 and £4.2 million drawn down in December 2016. The covenants attached to these facilities are considered reasonable and achievable and measure CFADS, occupancy levels and Loan to Value.

The directors have prepared a detailed business plan including cash flow projections for the period through to 31 December 2019 which indicate that the group will meet the covenant requirements.

Having considered potential risks and the current economic environment, the directors have a reasonable expectation that the group and company will achieve the forecasted performance and has adequate resources to continue in operational existence for the foreseeable future.

Based on the foregoing, the directors believe that it remains appropriate to adopt the going concern basis of accounting in preparing the financial statements.

2.4 Turnover

Turnover is recognised at the fair value of consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

BEDS & BARS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 MARCH 2019

2. Accounting policies (continued)

2.5 Franchising income

On entering an arrangement with the group, a franchisee pays an initial setup fee. This is used to cover the group's cost in the initial setup of the franchisee on the advertising platforms, setup of a website on behalf of the franchisee, and such other initial services as the company agrees. Turnover is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

The group charges commission on the bookings made through the group's website within the agent relationship with the franchisee. In the event that a booking is cancelled, the group's commission element is not refundable. Therefore, commission is recognised on the date that the booking is made.

The company recognises revenue in respect of management charges receivable from its associated undertakings. Turnover is recognised when the company becomes entitled to receive the revenue under the intercompany arrangement.

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

2. Accounting policies (continued)

2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.8 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.9 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the period in which they are incurred.

2.11 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

2. Accounting policies (continued)
2.14 Intangible assets
Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Freehold property	- Over 50 years
Long-term leasehold property	- Over an average leasehold length of 10 - 50 years
Motor vehicles	- Over 4 years
Fixtures and fittings	- Over 5 or 10 years depending on the useful life of the assets

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

2. Accounting policies (continued)**2.16 Revaluation of tangible fixed assets**

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.17 Valuation of investments

In the separate accounts of the company, interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the group has a long term interest and share control under a contractual arrangement are classified as jointly controlled entities.

2.18 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated statement of financial position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

2. Accounting policies (continued)**2.19 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.20 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.21 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.22 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.23 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

2. Accounting policies (continued)

2.24 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, loans to fellow group companies, and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

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

2.25 Employee benefits

The cost of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

2. Accounting policies (continued)

2.26 Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Lease categorisation

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the group as lessee, or the lessee, where the company is a lessor.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Impairment of assets

The recoverable amount of goodwill is based on value in use which requires estimates in respect of the allocation of goodwill to cash generating units, the future cashflows and an appropriate discount rate. The key inputs to the value in use calculations are the discount rate and the future earnings growth.

Following their review, the directors have determined that no impairment is necessary (2018 - nil). The carrying value of goodwill at the year end was £3,005,228 (2018 - £3,223,541).

Valuation of properties

The group has a policy of revaluing freehold and long leasehold property. In order to ensure that the valuation of the properties within the financials is materially correct, the directors rely on valuations undertaken by appropriately qualified experts undertaken on a regular basis.

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Sales of food and beverages	25,963,973	24,340,042
Sales of accommodation and ancillary services	27,460,556	26,144,709
Other sales	1,491,456	1,451,013
	<u>54,915,985</u>	<u>51,935,764</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	21,561,857	19,941,763
Rest of Europe	33,354,128	31,994,001
	<u>54,915,985</u>	<u>51,935,764</u>

5. Other operating income

	2019 £	2018 £
Other operating income	-	14,745
	<u>-</u>	<u>14,745</u>

6. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Exchange differences	(73,274)	(164,102)
Depreciation of owned tangible fixed assets	2,409,078	2,271,404
Depreciation of tangible fixed assets held under finance leases	116,566	88,175
Amortisation of intangible assets	154,957	160,334
Release of negative goodwill	(15,568)	(15,568)
Cost of stocks recognised as an expense	9,748,176	9,544,304
Operating lease charges	<u>7,618,055</u>	<u>7,471,137</u>

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

7. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	20,000	24,400
Audit of the financial statements of the company's subsidiaries	35,000	39,600
	<hr/>	<hr/>
For other services		
Taxation compliance services	-	13,450
Other services relating to taxation	-	61,136
All other non-audit services	-	46,200
	<hr/>	<hr/>
	-	120,786
	<hr/>	<hr/>

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 30 March 2019 £	Group 31 March 2018 £	Company 30 March 2019 £	Company 31 March 2018 £
Wages and salaries	17,519,117	16,783,986	-	-
Social security costs	494,714	658,298	-	-
Cost of defined contribution scheme	119,570	35,140	-	-
	<u>18,133,401</u>	<u>17,477,424</u>	<u>-</u>	<u>-</u>

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

	2019 No.	2018 No.
Management	54	37
Operational staff	600	524
Administration	62	64
	<u>716</u>	<u>625</u>

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL)

9. Directors' remuneration

During the period retirement benefits were accruing to 3 directors (2018 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £527,654 (2018 - £408,262).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £469 (2018 - £390).

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

10. Retirement benefit schemes

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Contributions payable to the fund at the year end and included within creditors were £14,641 (2018 - £8,441).

11. Interest receivable

	2019 £	2018 £
Other interest receivable	1,085	-
	<u>1,085</u>	<u>-</u>

12. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	487,440	426,823
Other loan interest payable	217,083	270,622
Finance leases and hire purchase contracts	44,302	23,055
	<u>748,825</u>	<u>720,500</u>

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

13. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	675,074	105,639
Adjustments in respect of previous periods	-	(489,470)
	<u>675,074</u>	<u>(383,831)</u>
Foreign tax		
Foreign tax on income for the year	2,402,452	140,018
	<u>2,402,452</u>	<u>140,018</u>
Total current tax	<u>3,077,526</u>	<u>(243,813)</u>
Deferred tax		
Origination and reversal of timing differences	312,025	(200,702)
Changes to tax rates	-	148,635
Adjustment in respect of prior periods	-	423,572
Total deferred tax	<u>312,025</u>	<u>371,505</u>
Taxation on profit on ordinary activities	<u>3,389,551</u>	<u>127,692</u>

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

13. Taxation (continued)**Factors affecting tax charge for the period/year**

The tax assessed for the period/year is the same as (2018 - the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%) as set out below:

	2019 £	2018 £
Profit on ordinary activities before tax	10,447,854	2,071,392
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,985,092	393,564
Effects of:		
Expenses not deductible for tax purposes	32,232	54,771
Capital allowances for period/year in excess of depreciation	166,152	80,247
Non-taxable income	(14,338)	-
Exempt ABGH distributions	(44,226)	-
Change in corporation tax rates	(24,726)	148,635
Adjustments to tax charge in respect of prior periods	-	(481,700)
Chargeable gains	-	(158,579)
Changes in provisions leading to an increase (decrease) in the tax charge	(106,691)	(157,483)
Deferred tax adjustments in respect of prior years	-	423,572
Other differences leading to an increase (decrease) in the tax charge	930,590	(175,335)
Foreign tax	465,466	-
Total tax charge for the period/year	3,389,551	127,692

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

14. Exceptional items

	2019 £	2018 £
Profit from the sale of lease - St Christopher's Paris	7,695,176	-
	<u>7,695,176</u>	<u>-</u>

15. Intangible assets**Group**

	Goodwill £	Negative goodwill £	Total £
Cost			
At 1 April 2018	5,307,412	(467,035)	4,840,377
Foreign exchange movement	(104,852)	-	(104,852)
At 30 March 2019	<u>5,202,560</u>	<u>(467,035)</u>	<u>4,735,525</u>
Amortisation			
At 1 April 2018	1,803,652	(186,816)	1,616,836
Charge for the year	154,957	(15,568)	139,389
Foreign exchange movement	(25,928)	-	(25,928)
At 30 March 2019	<u>1,932,681</u>	<u>(202,384)</u>	<u>1,730,297</u>
Net book value			
At 30 March 2019	<u>3,269,879</u>	<u>(264,651)</u>	<u>3,005,228</u>
At 31 March 2018	<u>3,503,760</u>	<u>(280,219)</u>	<u>3,223,541</u>

The company had no intangible fixed assets at 30 March 2019.

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

16. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 April 2018	20,026,023	18,446,266	241,566	17,607,309	56,321,164
Additions	11,621	1,988,976	32,540	1,940,165	3,973,302
Disposals	-	(148,274)	-	(2,275,437)	(2,423,711)
Exchange adjustments	(18,566)	(92,902)	-	(134,609)	(246,077)
At 30 March 2019	20,019,078	20,194,066	274,106	17,137,428	57,624,678
Depreciation					
At 1 April 2018	1,284,106	7,029,669	127,608	9,505,538	17,946,921
Charge for the period on owned assets	100,998	1,098,211	-	1,209,869	2,409,078
Charge for the period on financed assets	-	-	43,686	72,880	116,566
Disposals	-	(39,081)	-	(2,275,419)	(2,314,500)
Exchange adjustments	(13,379)	(64,596)	-	(67,671)	(145,646)
At 30 March 2019	1,371,725	8,024,203	171,294	8,445,197	18,012,419
Net book value					
At 30 March 2019	18,647,353	12,169,863	102,812	8,692,231	39,612,259
At 31 March 2018	18,741,917	11,416,597	113,958	8,101,771	38,374,243

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

16. Tangible fixed assets (continued)

The company had no tangible fixed assets at 30 March 2019.

The fair value of The Flying Horse has been arrived at on the basis of a valuation carried out at 8 February 2017 by Christie & Co, Chartered Surveyors, who are not connected to the company. The directors consider the above valuation to be a fair representation of the property's fair value at 1 April 2018 and 30 March 2019.

The fair value of the group's remaining investment properties has been arrived at on the basis of a valuation carried out at 25 November 2014 by Christie & Co, Chartered Surveyors, who are not connected to the company. The directors consider the above valuation to be a fair representation of the property's fair value at 1 April 2018 and 30 March 2019.

The valuations conform to International Valuation Standards and were based on recent market transactions on arm's length terms for similar properties. Christie & Co are Chartered Surveyors and members of RICS.

The net book value of land and buildings may be further analysed as follows:

	30 March 2019 £	31 March 2018 £
Freehold	18,647,353	18,741,918
Long leasehold	12,169,863	11,416,597
	<u>30,817,216</u>	<u>30,158,515</u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	30 March 2019 £	31 March 2018 £
Group		
Cost	3,769,885	3,769,885
Accumulated depreciation	(714,087)	(641,465)
Net book value	<u>3,055,798</u>	<u>3,128,420</u>

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

17. Fixed asset investments**Group**

	Investments in associates £
Cost or valuation	
At 1 April 2018	91,501
At 30 March 2019	91,501

Fixed asset investments not carried at market value

The group holds an investment of less than 20% in an unlisted entity. The directors do not believe that the fair value of the investment can be reliably measured. In accordance with paragraph 11.14(d) of FRS 102, this investment is held at cost less impairment.

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

17. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Direct/ Indirect Holding
Beds & Bars Limited	a	Licence public houses with ancillary budget accomodation	Ordinary	D-100%
St Christopher's Holdings Limited	a	Dormant holding company	Ordinary	I-100%
St Christopher's (Amsterdam) BV	b	Licence public houses with ancillary budget accomodation	Ordinary	I-100%
St Christopher's Bruges BV	c	Licence public houses with ancillary budget accomodation	Ordinary	I-90%
St Christopher's Inns Limited	a	Property holding company	Ordinary	I-100%
Crossgate BV	c	Licence public houses with ancillary budget accomodation	Ordinary	I-90%
Hotel Winston BV	b	Licence public houses with ancillary budget accomodation	Ordinary	I-100%
Winston Kingdom BV	e	Nightclub	Ordinary	I-100%
St Christopher's (Paris) sas	f	Licence public houses with ancillary budget accomodation	Ordinary	I-100%
Litera y Bares	g	Licence public houses with ancillary budget accomodation	Ordinary	I-100%
Beds and Bars Franchise Limited	a	Franchising	Ordinary	I-100%
Flying Pig UK Limited	a	Holding company	Ordinary	I-13%
Flying Pig Headoffice BV	b	Holding company	Ordinary	I-13%
Flying Pig Downtown BV	h	Licence public houses with ancillary budget accomodation	Ordinary	I-13%
Flying Pig Palace BV	h	Licence public houses with ancillary budget accomodation	Ordinary	I-13%
Interpub Limited	a	Licence public houses with ancillary budget accomodation	Ordinary	I-100%
Beds & Bars (UK) Limited	a	Dormant	Ordinary	I-100%

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

17. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

Registered office addresses:

- a. 1D Colet gardens, Hammersmith, London, England, W14 9DH
- b. Warmoesstraat 129, 1012JA Amsterdam, Netherlands
- c. 133-137 Langestrat, Bruges, 8000, Belgium
- d. Rosa-Luxemburg Strasse 39-41, 10178 Berlin, Germany
- e. Warmoesstraat 131, 1012JB Amsterdam, Netherlands
- f. 159 Rue de Crimee, 75019 Paris, France
- g. Avda. Insitulo Obrero 20, zip code/CP: 46013, Valencia, Spain
- h. Nieuwendijk 100, 1012 MR Amsterdam, Netherlands

Flying Pig UK Limited and its three wholly owned subsidiaries, Flying Pig Headoffice BV, Flying Pig Downtown BV and Flying Pig Uptown BV, have been determined by the directors to be companies under common control and are managed on a unified basis with that of Beds & Bars Limited and its subsidiaries. Consequently the entities are included within the consolidated financial statements of Beds & Bars Group Limited.

18. Stocks

	Group 30 March 2019 £	<i>Group 31 March 2018 £</i>
Raw materials and consumables	57,094	55,514
Finished goods and goods for resale	298,263	263,669
	355,357	319,183

The difference between purchase price or production cost of stocks and their replacement cost is not material.

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

19. Debtors

	Group 30 March 2019 £	<i>Group 31 March 2018 £</i>	Company 30 March 2019 £	<i>Company 31 March 2018 £</i>
Due after more than one year				
Trade debtors	39,565	17,613	-	-
Other debtors	1,141,469	1,159,232	1	1
	<u>1,181,034</u>	<u>1,176,845</u>	<u>1</u>	<u>1</u>
Due within one year				
Trade debtors	125,337	147,181	-	-
Other debtors	2,521,772	1,098,265	-	-
Prepayments and accrued income	1,177,668	1,482,320	-	-
Tax recoverable	-	1,156,485	-	-
	<u>5,005,811</u>	<u>5,061,096</u>	<u>1</u>	<u>1</u>

20. Cash and cash equivalents

	Group 30 March 2019 £	<i>Group 31 March 2018 £</i>
Cash at bank and in hand	8,839,685	3,431,913
	<u>8,839,685</u>	<u>3,431,913</u>

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

21. Creditors: Amounts falling due within one year

	Group 30 March 2019 £	Group 31 March 2018 £	Company 30 March 2019 £	Company 31 March 2018 £
Bank loans	1,266,385	816,031	-	-
Other loans	1,337,519	678,986	-	-
Payments received on account	-	19,632	-	-
Trade creditors	3,527,129	3,613,108	-	-
Amounts owed to group undertakings	-	-	604,458	402,230
Corporation tax	1,940,551	71,468	-	-
Other taxation and social security	2,349,169	1,262,982	-	-
Obligations under finance lease and hire purchase contracts	317,226	168,867	-	-
Other creditors	2,573,677	2,111,626	174,444	169,362
Accruals and deferred income	5,000,787	4,922,229	-	-
	18,312,443	13,664,929	778,902	571,592

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

22. Creditors: Amounts falling due after more than one year

	Group 30 March 2019 £	Group 31 March 2018 £	Company 30 March 2019 £	Company 31 March 2018 £
Bank loans	14,367,867	14,461,740	-	-
Other loans	4,110,336	4,372,300	-	-
Net obligations under finance leases and hire purchase contracts	507,121	112,633	-	-
Other creditors	751,703	926,147	751,703	926,148
Preference dividends	2,500	2,500	-	-
Accruals and deferred income	149,936	215,600	-	-
	19,889,463	20,090,920	751,703	926,148

Within other creditors there are amounts repayable by monthly instalments ending March 2024. At the period end an amount of £926,147 (2018 - £1,095,510) was owed and £174,444 (2018 - £169,362) is included in amounts due within one year, and £751,703 (2018 - £926,148) is included in amounts due after more than one year.

The group's preference 5% shares carry the right to a fixed dividend of 5% of the par value per annum. These shares do not carry any rights in respect of voting or capital. The preference shares have been classified as liabilities on the basis that they have a fixed income.

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	Group 30 March 2019 £	Group 31 March 2018 £	Company 30 March 2019 £	Company 31 March 2018 £
Repayable by instalments	7,991,285	12,324,094	808,914	196,338
Repayable other than by instalments	2,028,544	238,000	-	-
	10,019,829	12,562,094	808,914	196,338

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

23. Loans

	Group 30 March 2019 £	Group 31 March 2018 £
Amounts falling due within one year		
Bank loans	1,266,385	816,031
Other loans	1,337,519	678,986
	2,603,904	1,495,017
Amounts falling due 1-2 years		
Bank loans	1,106,461	4,589,816
Other loans	777,577	1,003,545
	1,884,038	5,593,361
Amounts falling due 2-5 years		
Bank loans	3,538,371	1,745,130
Other loans	3,035,965	3,026,005
	6,574,336	4,771,135
Amounts falling due after more than 5 years		
Bank loans	9,723,035	8,126,794
Other loans	296,794	342,750
	10,019,829	8,469,544
	21,082,107	20,329,057

BEDS & BARS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 MARCH 2019

23. Loans (continued)

Bank loans

Interpub Limited owed to HSBC Bank plc an amount of £9,313,271 (2018 - £9,709,700). Interest is payable at 2.5% per annum over the Bank of England base rate. The loan is repayable by monthly instalments with the term of the loan ending in March 2030. The loan is secured by a first legal charge over certain freehold and leasehold properties owned by Interpub Limited and St Christopher's Inns Limited together with fixed and floating charges over the trade and assets of the company and various group companies.

In May 2016, Interpub Limited entered into a further agreement with HSBC Bank Plc for a loan facility of £500,000. As at the period end an amount of £464,976 (2018 - £490,710) was owed to HSBC Bank Plc. Interest is payable at 2.5% per annum over LIBOR. The loan is repayable by monthly instalments with the term of the loan ending in August 2028. The loan is secured by a first legal charge over certain freehold and leasehold properties owned by Interpub Limited and St Christopher's Inns Limited together with fixed and floating charges over the trade and assets of the company and various group companies.

In December 2016, Interpub Limited entered into a further agreement with HSBC Bank Plc for a loan facility of £4,200,000. As at the period end an amount of £4,200,000 (2018 - £3,885,924) was owed to HSBC Bank plc. Interest is payable at 2.5% per annum over LIBOR. The loan will be repayable in full by on or before 30 June 2019. A separate loan agreement has been agreed with HSBC Bank plc to fund the repayment of the £4,200,000 facility with a loan of the same amount, repayable in equal monthly instalments over 10 years and 9 months. The loan is secured by a first legal charge over certain freehold and leasehold properties owned by Interpub Limited and St Christopher's Inns Limited together with fixed and floating charges over the trade and assets of the company and various group companies.

In August 2018, Interpub Limited entered into a further agreement with HSBC Bank Plc for a drawdown facility of up to £5,000,000. As at the year end an amount of £714,977 was owed to HSBC Bank Plc. Interest is payable at 2.5% per annum over LIBOR. The loan will be repayable in full on or before 3 August 2021. The refinancing of this loan is already agreed with HSBC on the same terms as the other main loan.

Other loans

Flying Pig UK Limited owed Heineken UK Limited an amount of £2,024,521 (2018 - £2,199,521). Interest is payable at 3% per annum over Bank of England base rate. The loan is repayable at £100,000 per annum between April 2015 and April 2021 with the final repayment of £1,800,000 due in April 2022. The loan is secured over Flying Pig UK Limited's interest in its Dutch subsidiaries.

St Christopher's (Amsterdam) BV owes £150,000 (2018 - £349,335) to an individual. Interest at the fixed rate of 8.00% per annum is charged on the loan which is repayable by monthly instalments with the term of the loan ending December 2019.

On 20 February 2018, St Christopher's (Amsterdam) BV entered into a loan agreement with an individual for a loan of £695,304. Interest at the fixed rate of 6.00% per annum is charged on the loan which is repayable by monthly instalments with the term of the loan ending March 2023.

The remaining group companies owed a total of £3,524,144 (2018 - £2,540,157) to various financial institutions repayable through quarterly or monthly instalments with the terms of the loans ending at various dates between 1 September 2019 and 1 April 2028. The loans incur interest at various fixed rates between 3.17% and 6.50% p.a. or variable rates at EURIBOR 3 month rate plus between 2.80% and 3.00% per annum and are generally secured over specific group assets.

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

24. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 30 March 2019 £	Group 31 March 2018 £
Within one year	363,102	182,777
Between one and five years	543,374	121,956
Less: future finance charges	(82,128)	(23,223)
	798,099	281,501

The group has entered into hire purchase arrangements in order to purchase various fixed assets. At 30 March 2019, the hire purchase arrangements have final payment dates ranging from April 2019 to March 2022 and it is expected that the company will retain ownership of the assets concerned upon completion of the term of the arrangement. During the year the group entered into hire purchase arrangements for assets with a cost of £879,377 (2018 - £124,124).

25. Financial instruments

	Group 30 March 2019 £	Group 31 March 2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	91,501	91,501
Financial assets that are debt instruments measured at amortised cost	2,296,293	2,422,287
	2,387,794	2,513,788
Financial liabilities		
Financial liabilities measured at amortised cost	(32,872,811)	(32,421,400)

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments.

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

26. Deferred taxation**Group**

	2019 £
At beginning of year	(1,610,671)
Charged to profit or loss	(308,196)
At end of year	(1,918,867)

The provision for deferred taxation is made up as follows:

	Group 30 March 2019 £	<i>Group 31 March 2018 £</i>
Accelerated capital allowances	(404,381)	(96,185)
Tax losses carried forward	338,214	338,214
Revaluations	(1,856,937)	(1,856,937)
Other short term timing differences	1,435	1,435
Research and development	2,802	2,802
	(1,918,867)	<i>(1,610,671)</i>

27. Share capital

	30 March 2019 £	<i>31 March 2018 £</i>
Allotted, called up and fully paid		
313,885 (2018 - 313,885) Ordinary shares of £1.00 each	313,885	<i>313,885</i>

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

The company was incorporated on 9 March 2017. The company acquired Beds & Bars Limited on 9 March 2017 through a group reconstruction.

As a result of the above, the group share capital is presented to 1 April 2018 and 30 March 2019, whereas the company share capital is presented only for the period from incorporation to 30 March 2019.

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

28. Reserves**Revaluation reserve**

The revaluation reserve represents the cumulative revaluation gains and losses in respect of land and buildings, except revaluation gains and losses recognised in profit or loss.

Other reserves

The other reserve represents the result of merger accounting following a group reconstruction which has been recognised based on the difference between the nominal value of the shares issued plus the fair value of any other consideration given, and the nominal value of the shares received in exchange.

Profit and loss account

The profit and loss account represents cumulative profit and loss net of distributions to owners.

29. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £119,570 (2018 - £35,140). Contributions totalling £14,641 (2018 - £8,441) were payable to the fund at the reporting date and are included in creditors.

30. Commitments under operating leases

At 30 March 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 30 March 2019 £	Group 31 March 2018 £
Within one year	6,327,620	6,421,669
Between one and five years	24,418,446	24,420,528
In over five years	32,450,681	25,224,007
	<u>63,196,747</u>	<u>56,066,204</u>

31. Financial commitments, guarantees and contingent liabilities

The company and group have various commitments under the security arrangements for borrowings. See note 23 for details of the arrangements. The directors do not consider it likely that any liability will arise as a result of these arrangements.

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

32. Related party transactions**Remuneration of key management personnel**

The remuneration of key management personnel of the group, who are also directors is as follows:

	30 March 2019 £	31 March 2018 £
Aggregate compensation	1,301,258	1,465,076

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	30 March Rent Payable 2019 £	30 March Rent Payable 2018 £	31 March Management charge income 2019 £	31 March Management charge income 2018 £
Entities with control, joint control or significant influence over the company	-	-	1,530,546	2,313,526
Key management personnel	42,000	42,000	-	-

Amounts owed to related parties

	30 March 2019 £	31 March 2018 £
Group		
Entities over which the group has control, joint control or significant	7,870,091	15,113,494
Company		
Entities over which the group has control, joint control or significant	604,458	402,230

BEDS & BARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

Amounts owed to related parties

	30 March 2019 £	31 March 2018 £
Group		
Entities with control, joint control or significant influence over the group	<u>8,938,368</u>	<u>13,841,897</u>

All parties in the group are subject to cross guarantees whereby the bank loans held within Beds & Bars Limited and Interpub Limited are secured on the assets of all group companies.

33. Controlling party

The ultimate controlling party is Mr K C Knowles.