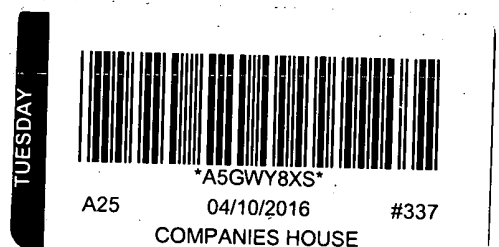


GERONIMO AIRPORTS LIMITED

FINANCIAL STATEMENTS

For the 52 week period ended 28 March 2016

Company no 05237033



GERONIMO AIRPORTS LIMITED**COMPANY'S INFORMATION**

For the 52 week period ended 28 March 2016

Company registration number: 05237033

Registered office: Riverside House
26 Osiers Road
Wandsworth
London
SW18 1NH

Directors: S A Robinson
P A Dardis

Secretary: A Schroeder

Bankers: Royal Bank of Scotland Group plc
Corporate Banking London
280 Bishopsgate
London
EC2M 4RB

Auditor: Ernst & Young LLP
1 More London Place
London
SE1 2AF

GERONIMO AIRPORTS LIMITED
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For the 52 week period ended 28 March 2016

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GERONIMO AIRPORTS LIMITED

STRATEGIC REPORT

For the 52 week period ended 28 March 2016

Principal activity

The principal activity of the Geronimo Airports Limited ("the Company") is the running of pubs.

Transition to FRS 101

This is the first period that the Company has presented financial statements under Financial Reporting Standard 101 (FRS 101) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the period ended 30 March 2015 and the date of transition was therefore 1 April 2014. As a consequence of adopting FRS 101, a number of accounting policies have changed to comply with that standard. Further details are given in note 19 to the financial statements.

Business review

There was a loss for the period after taxation amounting to £105,779 (2015: profit of £161,954).

The Company's turnover reduced by 5.7% in total but increased by 7.0% on a like-for-like basis. The overall decrease in revenue is the result of the Tin Goose lease expiring in October 2014 and hence a reduction in revenue for the current period. The like-for-like increase is largely driven by strong trading at the Betjeman Arms, based at St Pancras Station, due to a prior period redevelopment.

No important events affecting the Company have occurred since the end of the period.

Key performance indicators (KPIs)

The performance of the business is measured against a number of key indicators:

| KPI | Description | 2016 | 2015 |
|--|--|-------------|-------------|
| Revenue £000 | Total turnover from the sale of goods and services. | 6,848 | 7,260 |
| Like for like revenue growth % | This is revenue growth for this period compared with the previous period for the Company's pubs that traded throughout both periods. | 7.0 | (2.7) |
| Adjusted (loss) / profit before tax £000 | This is the Company's (loss) / profit before tax adjusted to exclude any exceptional items. | (7) | 291 |
| EBITDA £000 | This is the Company's adjusted earnings before interest, taxes, depreciation and amortisation. | 409 | 766 |

Likely future developments

The directors expect next period's sales performance to remain at the same level as the current period. The leases of the Five Tuns and Three Bells, both at Heathrow, are due to expire in March 2017.

Financial risk management objectives and policies

The principal risks and uncertainties facing the Company are listed below. It is not an exhaustive list of all significant risks and uncertainties; some may currently be unknown and others currently regarded as immaterial could turn out to be material.

- *Consumer risk*

The Company's revenue is largely dependent on consumer spending in our pubs. A consumer's decision to spend his or her money can be affected by a broad range of matters (including confidence in the economy, the weather, fears of terrorist activity and improved awareness of the potential adverse health consequences associated with alcohol), all set against a background of an ever-increasing choice of where to go and what to do. The Company's pubs are located at Heathrow Airport and St Pancras International station where footfall is largely dependent on consumer travel. They benefit from customer-focussed designs, high service standards, quality food and market-leading drinks, all things that matter to the discerning consumer.

- *Cost risk*

Various factors may result in the amount we pay for our key supplies (including food, drink, gas and electricity) and labour being increased. In July 2015 the Government announced the introduction of a National Living Wage of £7.20 effective from April 2016 with annual stepped increases to follow. Increased costs could potentially make our offer less attractive to consumers if they are passed on. Fixed-price arrangements are in place with some of our food and drink suppliers. Regarding utilities,

For the 52 week period ended 28 March 2016

Financial risk management objectives and policies (continued)

we continually look at ways of reducing our levels of consumption; we also regularly review our energy needs and price changes in the market, and, where appropriate, we make forward purchases. Increased wages may result in consumers having greater capacity to absorb increased prices but any shortfall will need to be mitigated through greater labour and other efficiency gains.

- *Rates and tax risk*

The pub industry is subject to a variety of taxes, including business taxes, duty on alcoholic beverages and property rates. Property rates on our estate are due to be revised upwards in April 2017. The introduction of new taxes and/or increases in the rates of existing taxes will result in lower profits. Through our parent Company, Young's, membership of the British Beer and Pub Association, we seek to ensure that appropriate action is taken to minimise this risk.

- *Supplier risk*

We rely on a number of key suppliers to provide our pubs with food and drink. Supply disruption could affect customer satisfaction, leading to a reduction in our revenue and possibly lower growth rates. Food and drink is sourced from a number of suppliers. Informal arrangements are also in place such that substitute suppliers or products could be used if required. We regularly review our choice of suppliers.

- *Regulation risk*

We are required to meet a range of ever-increasing health and safety obligations in the operation of our business (including in the areas of food and fire safety). A failure to comply could result in an accident or incident occurring involving injury, illness or even loss of life. This could damage our reputation, possibly leading to a reduction in our revenue and lower growth rates. Increases in the cost of compliance will have an impact on our margins and result in lower profits. Training programmes, processes and audits designed to promote and achieve compliance with health and safety legislation are in place. These audits are undertaken by a third party who also works with us to ensure changes in health and safety practices and procedures are incorporated into our business and reviewed on a regular basis. Insurance cover to help with any financial compensation that may be payable as a result of an accident or incident has been taken out.

ON BEHALF OF THE BOARD



S A Robinson
Director
28 September 2016

GERONIMO AIRPORTS LIMITED
REPORT OF THE DIRECTORS

For the 52 week period ended 28 March 2016

The directors present their report together with the strategic report and the audited financial statements for the period ended 28 March 2016 and the comparative period ended 30 March 2015.

Directors

The present membership of the Board is set out below. No director had any rights granted in the period to subscribe for shares of the Company and no such rights were exercised.

E J Turner (resigned 24 July 2015)
P W Whitehead (resigned 6 September 2016)
P A Dardis (appointed 25 September 2015)
S A Robinson (appointed 15 August 2016)

All of the above are directors of Young & Co.'s Brewery, P.L.C. ("Young's"). Their respective interests in the share capital of Young's are disclosed in the financial statements of Young's, apart from S A Robinson who joined the Young's Board after the period end on 6 September 2016.

Qualifying indemnity provisions

The Company's articles of association contains an indemnity provision in favour of the directors; this provision, which is a qualifying third party indemnity provision, was in force throughout the period for the benefit of those who were then directors of the Company and is in force at the date of this report.

Going concern

The directors believe that the Company is well placed to manage its business risks successfully. Young's and Geronimo Inns Limited, another group Company, have confirmed they will not recall the intercompany balances due for at least the next 18 months following the date of these financial statements. The directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Dividend

There was a loss for the period after taxation amounting to £105,779 (2015: profit of £161,954). The directors do not recommend the payment of a dividend (2015: £nil).

Financial risk management objectives

As permitted under section 414C(11) of the Companies Act 2006, the directors have chosen to include in the strategic report on pages 1 and 2 the Company's financial risk management objectives and policies.

Likely future developments

As permitted under section 414C(11) of the Companies Act 2006, the directors have chosen to include in the strategic report on pages 1 and 2 the particulars of likely future developments in the Company's business.

Statement of directors' responsibilities

For each financial period the directors are required to prepare an annual report (made up of a strategic report and a directors' report) and financial statements. The directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the financial position and financial performance of the Company for the relevant period.

In preparing the statements, the directors must:

- make judgments and accounting estimates that are reasonable and prudent;
- select suitable accounting policies and then apply them consistently;
- state that the Company has complied with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) (subject to any material departures disclosed and explained in the financial statements); and
- present information, including accounting policies, in a manner that provides relevant, reliable and comparable information.

The directors are responsible for keeping accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company at that time and enable them to ensure that the financial

GERONIMO AIRPORTS LIMITED
REPORT OF THE DIRECTORS (CONTINUED)

For the 52 week period ended 28 March 2016

Statement of directors' responsibilities (continued)

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.

Statement as to disclosure to the auditor

Each of S A Robinson and P A Dardis, being the directors at the time when this report was approved, has confirmed that, so far as he was aware there was no information needed by the Company's auditor in connection with preparing its report of which it was unaware. Further, each of them has confirmed that he has taken all the steps that he ought to have taken as a director to make him aware of any such information and to establish that the auditor was aware of it. This paragraph is to be interpreted in accordance with section 418 of the Companies Act 2006.

Auditor

Ernst & Young LLP were appointed as the Company's auditor on 5 July 2015.

Preparation and disclaimer

This annual report, together with the strategic report and the financial statements for the period ended 28 March 2016, have been drawn up and presented for the purpose of complying with English law. Any liability arising out of or in connection with them will also be determined in accordance with English law.

ON BEHALF OF THE BOARD



S A Robinson
Director
28 September 2016

Independent auditor's report to the members of Geronimo Airports Limited

We have audited the financial statements of Geronimo Airports Limited for the period ended 28 March 2016 which comprise the Income statement, the Statement of Other Comprehensive Income, the Balance sheet, the Statement of Changes in Equity and the related notes 1 to 19. 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 101 "Reduced Disclosure Framework".

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 Report and Financial Statements 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 28 March 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

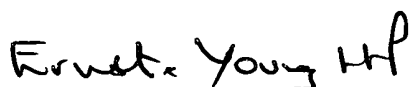
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Report of the Directors for the financial period 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.



Andy Glover (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
28 September 2016

GERONIMO AIRPORTS LIMITED**INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME**

For the 52 week period ended 28 March 2016

| | Note | 2016 £ | 2015 £ |
|---|-------------|---------------------------|-------------------------|
| Turnover | 4 | 6,848,365 | 7,259,557 |
| Cost of sales | | <u>(1,710,539)</u> | <u>(1,785,200)</u> |
| Gross profit | | 5,137,826 | 5,474,357 |
| Operating charges | | <u>(5,100,288)</u> | <u>(5,159,064)</u> |
| Operating profit before exceptional items | | 37,538 | 315,293 |
| Exceptional item | | | |
| Revaluation of fixed assets | 9 | <u>(212,575)</u> | <u>2,424</u> |
| Operating (loss)/profit | 5 | (175,037) | 317,717 |
| Interest payable | 6 | <u>(44,891)</u> | <u>(24,276)</u> |
| (Loss)/profit on ordinary activities before taxation | | (219,928) | 293,441 |
| Tax credit/(charge) on ordinary activities | 8 | <u>114,149</u> | <u>(131,487)</u> |
| (Loss)/profit retained and transferred to reserves | | <u>(105,779)</u> | <u>161,954</u> |
| Other comprehensive income | | | |
| Unrealised loss on revaluation of property | 9 | <u>-</u> | <u>(2,721)</u> |
| Other comprehensive income for the period | | - | (2,721) |
| Total comprehensive income attributable to shareholders for the period | | <u>(105,779)</u> | <u>159,233</u> |

All transactions arise from continuing operations.

There were no other recognised gains or losses for the current period or the prior period.

The accompanying accounting policies and notes form an integral part of these financial statements.

GERONIMO AIRPORTS LIMITED
BALANCE SHEET

As at 28 March 2016

| | Note | 2016 £ | 2015 £ |
|---|------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible fixed assets | 9 | <u>1,186,525</u> | <u>1,637,923</u> |
| | | 1,186,525 | 1,637,923 |
| Current assets | | | |
| Stocks | 10 | 46,649 | 53,662 |
| Debtors | 11 | 224,334 | 184,300 |
| Cash at bank and in hand | | <u>192,066</u> | <u>146,053</u> |
| | | 463,049 | 384,015 |
| Creditors: amounts falling due within one year | 12 | <u>(2,416,708)</u> | <u>(2,683,293)</u> |
| Net current liabilities | | <u>(1,953,659)</u> | <u>(2,299,278)</u> |
| Total assets less current liabilities | | <u>(767,134)</u> | <u>(661,355)</u> |
| Capital and reserves | | | |
| Called up share capital | 14 | 1 | 1 |
| Revaluation reserve | | 22,047 | 22,047 |
| Retained earnings | | <u>(789,182)</u> | <u>(683,403)</u> |
| Shareholders' deficit | | <u>(767,134)</u> | <u>(661,355)</u> |

The financial statements were approved by the Board on 28 September 2016, and signed on its behalf by:



S A Robinson - Director

The accompanying accounting policies and notes form an integral part of these financial statements.

GERONIMO AIRPORTS LIMITED
STATEMENT OF CHANGES IN EQUITY

As at 28 March 2016.

| | Note | Share capital £ | Revaluation reserve £ | Retained earnings £ | Total equity £ |
|----------------------------|-----------|-----------------------|-----------------------------|---------------------------|----------------------|
| As at 1 April 2014 | 19 | 1 | 24,768 | (845,357) | (820,588) |
| Profit for the period | 19 | - | - | 161,954 | 161,954 |
| Other comprehensive income | 19 | - | (2,721) | - | (2,721) |
| As at 30 March 2015 | 19 | 1 | 22,047 | (683,403) | (661,355) |
| Loss for the period | | - | - | (105,779) | (105,779) |
| Other comprehensive income | | - | - | - | - |
| As at 28 March 2016 | | 1 | 22,047 | (789,182) | (767,134) |

As at 28 March 2016

1. Authorisation of financial statements and statement of compliance with FRS 101.

The financial statements of Geronimo Airports Limited (the "Company") for the period ended 28 March 2016 were authorised for issue by the board of directors on 28 September 2016 and the balance sheet was signed on the board's behalf by S A Robinson. Geronimo Airports Limited is incorporated and domiciled in England.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards for the 52 weeks ended 28 March 2016 and the comparable period being the 52 weeks ended 30 March 2015.

The financial statements are presented in pounds sterling.

The principal accounting policies of the Company, set out below, have remained unchanged from the previous period apart from the following:

Tangible fixed assets

Upon transition to FRS 101, the Company has elected to value its tangible fixed assets including land and buildings and fixtures and fittings using the revaluation model as opposed to the previously applied historical cost model. Under UK GAAP applying the revaluation model was not available, however measuring land and buildings at fair value is considered by the directors to provide increasingly relevant and reliable information for the users of the accounts.

Properties, including land and buildings, and fixtures, fittings and equipment are now held at fair value, and are revalued by qualified valuers on a sufficiently regular basis using open market value so that the carrying value of an asset does not differ significantly from its fair value at the balance sheet date. Surpluses which arise from the revaluation exercise are included within other comprehensive income (in the revaluation reserve) unless they are reversing a revaluation adjustment which has been recognised in the income statement previously. Where the revaluation exercise gives rise to a downward valuation, this is reflected directly in other comprehensive income (in the revaluation reserve) to the extent that a surplus exists against the same asset. Any further decrease in value is recognised in the income statement as an exceptional expense.

In the FRS 101 transition balance sheet, dated 1 April 2014, an amount of £24,768 has been recognised in the revaluation reserve to reflect these surpluses and an amount of (£29,720) has been recognised in retained earnings to reflect the downward valuation. These have been recorded within the statement of changes in equity.

In the prior period, an amount of (£2,721) has been recognised within other comprehensive income to reflect a reduction in previous surpluses and an amount of £2,424 has been recognised in the income statement to reflect a reduction in previous downwards valuation.

In the current period, no amount has been recognised within other comprehensive income as there were no increases in value of any of the Company's properties, whilst a charge of £212,575 has been recognised in the income statement to reflect the downward valuation during the period.

See note 9 Tangible fixed assets for further information.

2. Summary of significant accounting policies

Basis of preparation

The Company transitioned from previously extant UK GAAP to FRS 101 for all periods presented. Transition reconciliations showing all material adjustments are disclosed in note 19. The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 28 March 2016.

The Company has taken advantage of the following disclosure exemptions under FRS 101 regarding certain requirements under the following International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS"):

As at 28 March 2016

2. Summary of significant accounting policies (continued)

- (a) IAS 7 Statement of Cash Flows;
- (b) IFRS 3 Business Combinations;
- (c) IFRS 7 Financial Instruments: Disclosures;
- (d) IFRS 13 Fair Value Measurement;
- (e) IAS 1 Presentation of Financial Statements; and
- (f) IAS 24 Related Party Disclosures.

Going concern

The Company made a loss for the current period and is in a net liability position at the period end and at the date of the approval of the financial statements. Young's and Geronimo Inns Limited, another group Company, have confirmed they will not recall the intercompany balances due for at least the next 18 months following the date of these financial statements. The directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the accounts on a going concern basis.

Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and VAT. Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Exceptional items

Exceptional items, as disclosed on the face of the income statement, are items which due to their material and non-recurring nature have been classified separately in order to draw them to the attention of the reader of the financial statements. They are included in the adjustments that, in management's judgement, are required in order to show more accurately the business performance of the Company in a consistent manner and to reflect how the business is managed and measured on a day to day basis.

Tangible fixed assets and depreciation

Properties, including land and buildings, and fixtures, fittings and equipment are held at fair value and are revalued by qualified valuers on a sufficiently regular basis using open market values so that the carrying value of an asset does not differ significantly from its fair value at the balance sheet date. The valuation is assessed on the basis of the highest and best use. When the necessary requirements have been met in respect of assets identified for disposal and revalued immediately prior to transfer to non-current assets held for sale, the highest and best use for a market participant may reflect an alternative use for the asset.

Surpluses which arise from the revaluation exercise are included within the other comprehensive income (in the revaluation reserve) unless they are reversing a revaluation adjustment which has been recognised in the income statement previously. Where the revaluation exercise gives rise to a downward valuation, this is reflected directly in other comprehensive income (in the revaluation reserve) to the extent that a surplus exists against the same asset. Any further decrease in value is recognised in the income statement as an exceptional expense.

The carrying amount of an asset, less any residual value, is depreciated on a straight line basis over the asset's useful life or lease term if shorter. The residual value, useful life and depreciation method applied to each asset are reviewed annually. The Company does not depreciate freehold land and the residual value of its freehold and long leasehold buildings. The useful lives are assessed to be as follows:

| | |
|----------------------------------|---|
| Short leasehold buildings | - Shorter of the estimated useful life and the lease term |
| Fixtures, fittings and equipment | - 3 to 10 years |

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

As at 28 March 2016

2. Summary of significant accounting policies (continued)

Tangible fixed assets and depreciation (continued)

The gain arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in the income statement. Pub fixtures, fittings and equipment are treated as disposals in the period following completion of their write down.

Leases

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the income statement on a straight line basis over the lease term.

The Company does not have any finance leases.

Stocks

Stocks are stated at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Trade and other debtors

Trade receivables are recognised and carried at the lower of their original invoice value and recoverable amount. A provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an impairment provision. Impaired debts are derecognised when they are assessed as irrecoverable.

Cash

Cash in the balance sheet comprises cash at banks and in hand. Cash and cash equivalents include only deposits which mature in less than three months.

Income tax and deferred tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, with the following exceptions:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

As at 28 March 2016

2. Summary of significant accounting policies (continued)

Income tax and deferred tax (continued)

- deferred income tax assets are recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carried forward tax credits or tax losses, can be utilised.

Deferred tax is measured on an undiscounted basis at the UK tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

3. Key accounting estimates and judgements

The following are the key judgements that management 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.

(a) Valuation of property and equipment

The Company is required to value property and equipment on a sufficiently regular basis using open market values to ensure the current carrying value does not differ significantly from the fair value. The valuation, performed by qualified valuers, is based on market observations and estimates on the selling price in an arms' length transaction, and includes estimates of future income levels and trading potential for each pub, as well as taking into account other factors such as location, tenure and current income levels. See note 9.

(b) Depreciation

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives. The selection of these residual values and estimated lives requires the exercise of management's judgement. See note 9.

(c) Taxation

The Company reviews potential tax liabilities and benefits to assess the appropriate accounting treatment. Tax provisions are made if it is probable that a liability will arise. Tax benefits are not recognised unless it is probable that they will be recovered. Assessing the outcome of uncertain tax positions requires judgements to be made based on past experience and the current tax environment. See notes 8 and 13.

GERONIMO AIRPORTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 52 week period ended 28 March 2016

4. Turnover

All turnover arises from activities in the United Kingdom and is derived from the sale of goods.

5. Operating (loss) / profit

This is stated after charging:

| | 2016 £ | 2015 £ |
|--|---------------|--------------|
| Operating lease rentals: | | |
| - land and buildings | 1,474,867 | 1,692,075 |
| Depreciation of tangible fixed assets | 371,287 | 451,187 |
| Revaluation downward / (upward) of tangible fixed assets | 212,575 | (2,424) |
| Auditor's remuneration: | | |
| Audit of the Company's financial statements | <u>12,000</u> | <u>8,000</u> |

6. Interest payable

| | 2016 £ | 2015 £ |
|--|---------------|---------------|
| Interest payable on intercompany loans | <u>44,891</u> | <u>24,276</u> |
| | <u>44,891</u> | <u>24,276</u> |

7. Directors and employees

(a) Staff costs

Staff costs during the period were as follows:

| | 2016 £ | 2015 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,639,781 | 1,812,980 |
| Social security costs | 112,446 | 125,395 |
| Pension scheme | 7,863 | 7,123 |
| | <u>1,760,090</u> | <u>1,945,498</u> |

The average monthly number of employees was 100 (2015: 116)

(b) Directors' remuneration

Aggregate remuneration in respect of qualifying services to the Company

| | |
|---------------|---------------|
| <u>40,160</u> | <u>35,070</u> |
| <u>40,160</u> | <u>35,070</u> |

GERONIMO AIRPORTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 52 week period ended 28 March 2016

8. Tax on ordinary activities

(a) Tax on (loss)/profit on ordinary activities

The tax (credit)/charge is made up as follows:

| | For the period ended 28 March 2016 £ | For the period ended 30 March 2015 £ |
|--|---|---|
| Current tax: | | |
| UK corporation tax | 14,781 | 88,882 |
| Adjustment in respect of prior periods | (2,134) | (32) |
| | <u>12,647</u> | <u>88,850</u> |
| Deferred tax: | | |
| Origination and reversal of timing differences | (102,940) | 42,598 |
| Adjustment in respect of prior periods | (3,741) | 39 |
| Effect of tax rate change on opening balance | (20,115) | - |
| | <u>(126,796)</u> | <u>42,637</u> |
| Total tax (credit)/charge on ordinary activities | <u>(114,149)</u> | <u>131,487</u> |

(b) Factors affecting the current tax (credit)/charge

| | | |
|---|------------------|----------------|
| (Loss)/profit on ordinary activities before tax | (219,928) | 293,441 |
| (Loss)/profit multiplied by the standard rate of corporation tax in the UK of 20% (2015: 21%) | (43,986) | 61,623 |
| Effect of: | | |
| Expenses not deductible for tax purposes | 42,515 | - |
| Chargeable (losses)/gains | (69,126) | 55,906 |
| Fixed asset differences | (29,000) | 13,421 |
| Adjustment in respect of prior periods | (2,134) | (32) |
| Adjustment in respect of prior periods - deferred tax | (3,741) | 39 |
| Adjust deferred tax to current tax rate | (8,677) | 530 |
| Current tax (credit)/charge | <u>(114,149)</u> | <u>131,487</u> |

(c) Factors affecting future tax charges

The prior period adjustments to current and deferred tax relate to differences in the tax position shown in the prior period financial statements compared with the final prior period corporation tax return.

Changes to the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and then to 18% (effective 1 April 2020), were substantively enacted into law on 26 October 2015. It is not expected that deferred tax balances will be realised or settled between 1 April 2017 and 1 April 2020; therefore the 19% rate has not been applied. Consequently, the deferred tax balances have been remeasured from 20% to 18%.

GERONIMO AIRPORTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 52 week period ended 28 March 2016

9. Tangible fixed assets

| | Leasehold buildings £ | Fixtures, fittings and equipment £ | Total £ |
|--|-----------------------------|---|------------------|
| Cost or valuation | | | |
| At 31 March 2014 | 3,921,585 | 1,693,227 | 5,614,812 |
| Revaluation | | | |
| - effect of upward movement | 24,768 | - | 24,768 |
| At 31 March 2014 | 3,946,353 | 1,693,227 | 5,639,580 |
| Additions | 118,923 | 693,671 | 812,594 |
| Disposals | (1,051,682) | (420,687) | (1,472,369) |
| Fully depreciated assets | - | (35,559) | (35,559) |
| Revaluation | - | - | - |
| - effect of upward movement | - | - | - |
| - effect of downward movement | (2,721) | - | (2,721) |
| At 30 March 2015 | 3,010,873 | 1,930,652 | 4,941,525 |
| Additions | 2,955 | 129,509 | 132,464 |
| Fully depreciated assets | - | (388,322) | (388,322) |
| Revaluation | - | - | - |
| - effect of upward movement | - | - | - |
| - effect of downward movement | - | - | - |
| At 28 March 2016 | 3,013,828 | 1,671,839 | 4,685,667 |
| Depreciation and impairment | | | |
| At 31 March 2014 | 3,193,544 | 1,139,503 | 4,333,047 |
| Revaluation | - | - | - |
| - effect of downward movement | 29,720 | - | 29,720 |
| At 31 March 2014 | 3,223,264 | 1,139,503 | 4,362,767 |
| Depreciation charge | 165,354 | 285,833 | 451,187 |
| Disposals | (1,051,682) | (420,687) | (1,472,369) |
| Fully depreciated assets | - | (35,559) | (35,559) |
| Revaluation | | | |
| - effect of upward movement | (2,424) | - | (2,424) |
| - effect of downward movement | - | - | - |
| At 30 March 2015 | 2,334,512 | 969,090 | 3,303,602 |
| Depreciation charge | 126,588 | 244,699 | 371,287 |
| Fully depreciated assets | - | (388,322) | (388,322) |
| Revaluation | | | |
| - effect of upward movement | - | - | - |
| - effect of downward movement | 20,418 | 192,157 | 212,575 |
| At 28 March 2016 | 2,481,518 | 1,017,624 | 3,499,142 |
| Net book value at 28 March 2016 | 532,310 | 654,215 | 1,186,525 |
| Net book value at 30 March 2015 | 676,361 | 961,562 | 1,637,923 |

GERONIMO AIRPORTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 52 week period ended 28 March 2016

9. Tangible fixed assets (continued)

(a) Revaluation of tangible fixed assets

On an annual basis, a portion of the Company's property estate is valued externally by CBRE Ltd, independent Chartered Surveyors, in accordance with the provisions of the RICS Valuation – Professional Standards January 2014 (Revised April 2015) ('the Red Book'), which takes account of the properties' highest and best value. The remaining portion of the estate is valued internally, based upon the information supplied by the Company's external valuers and by Andrew Cox MRICS, the Young's group's director of property and tenancies and a Chartered Surveyor.

The valuation is based on information, such as current and historic levels of turnover, gross profit, wages and overheads and resultant EBITDA. The valuers have then applied a multiplier to the EBITDA based upon the relative risks associated with the trading format, tenure and property. In a number of cases the value of the property derived purely from an income approach understates the underlying property value. In these cases the valuers have applied a spot value to the property rather than a value derived from a multiple applied to the income. EBITDA represents a key unobservable input. In addition, the valuation was based on the valuer's assumptions and models. Each individual pub is valued as a fully equipped operational entity after taking into account its trading potential, location, tenure, size and condition and other factors such as recent market transactions. Changes in these variables and assumptions could materially impact the valuations.

The external valuations made are consistent and in support with the values derived by Andrew Cox. These valuations and the assumptions used are reviewed by the Board and the auditor. The highest and best use of the group's properties do not differ materially from their current use.

All pubs are short leasehold and hence the valuation represents short leasehold buildings only.

If, at 28 March 2016, the property estate had been carried at historic cost less accumulated depreciation and impairment losses, its carrying amount would have been approximately £1,163,542 (2015: £1,625,365).

The revaluation surplus represents the amount by which the fair value of the estate exceeds its historic cost.

10. Stocks

| | 2016 | 2015 |
|--------|----------------------|---------------|
| | £ | £ |
| Stocks | <u>46,649</u> | <u>53,662</u> |

11. Debtors

| | 2016 | 2015 |
|--------------------|-----------------------|----------------|
| | £ | £ |
| Trade debtors | 4,000 | 4,511 |
| Other debtors | 114,279 | 110,943 |
| Deferred tax asset | <u>106,055</u> | <u>68,846</u> |
| | <u>224,334</u> | <u>184,300</u> |

Other debtors is comprised of rent and sundry prepayments.

GERONIMO AIRPORTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 52 week period ended 28 March 2016

12. Creditors: amounts falling due within one year

| | 2016 £ | 2015 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 113,637 | 78,574 |
| Amounts owed to group undertakings | 1,982,264 | 2,215,118 |
| Other taxation and social security | 30,291 | 36,552 |
| Other creditors | 91,587 | 35,115 |
| Corporation tax | 14,781 | 44,199 |
| Deferred tax liabilities | 184,148 | 273,735 |
| | <u>2,416,708</u> | <u>2,683,293</u> |

13. Deferred tax

The deferred tax included in the balance sheet is as follows:

| | 2016 £ | 2015 £ |
|---|-----------|-----------|
| Decelerated capital allowances | 106,055 | 68,846 |
| Deferred tax asset | 106,055 | 68,846 |
| Rolled over gains and property revaluations | (184,148) | (273,735) |
| Deferred tax liability | (184,148) | (273,735) |
| Net deferred tax liabilities | (78,093) | (204,889) |
| Deferred tax asset at 30 March 2015 (comparative 31 March 2014) | (204,889) | (162,252) |
| Current period credit/(charge) | 126,796 | (42,637) |
| Deferred tax asset at 28 March 2016 (comparative 30 March 2015) | (78,093) | (204,889) |

14. Share capital

| | 2016 £ | 2015 £ |
|------------------------------------|-----------|-----------|
| Allotted, called up and fully paid | | |
| 1 ordinary share of £1 | <u>1</u> | <u>1</u> |

GERONIMO AIRPORTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 52 week period ended 28 March 2016

15. Capital commitments

There were no capital commitments as at 28 March 2016 or at 30 March 2015.

16. Contingent liabilities

There were no contingent liabilities as at 28 March 2016 or at 30 March 2015.

17. Obligations under leases

Operating leases for property are for terms ranging from 1 to 7 years. Minimum lease payments are typically reviewed every five years and are based on a percentage of turnover or a negotiated rate per square foot. Future minimum rentals payable under non-cancellable operating leases are as follows:

| | 2016 | 2015 |
|----------------------------|-------------------------|-------------------------|
| | Short lease | Short lease |
| | buildings | buildings |
| | £ | £ |
| Less than one year | 1,519,017 | 1,542,444 |
| Between two and five years | 3,165,473 | 2,882,696 |
| In five years or more | <u>1,433,132</u> | <u>2,011,233</u> |

18. Ultimate parent undertaking

The Company's immediate and ultimate parent Company at 28 March 2016 was Young's.

Copies of the group financial statements for Young's can be obtained by writing to the Company secretary at the registered office, Riverside House, 26 Osiers Road, Wandsworth, London, SW18 1NH.

For the 52 week period ended 28 March 2016

19. Transition to FRS 101

For all periods up to and including the period ended 30 March 2015, the Company prepared its financial statements in accordance with previously extant United Kingdom Generally Accepted Accounting Practice (UK GAAP). These financial statements, for the period ended 28 March 2016, are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 31 March 2015 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 31 March 2015, the Company's date of transition to FRS 101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. As such, this note explains the principal adjustments made by the Company in restating its balance sheet as at 30 March 2015 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the period ended 30 March 2014.

On transition to FRS 101, the Company has applied the requirements of paragraphs 6-33 of IFRS 1 "First time adoption of International Financial Reporting Standards".

Exemptions Applied:

IFRS 1 allows first-time adopters certain exemptions from the general requirements to apply IFRSs. The Company has taken advantage of the following exemptions:

- IFRS 2 Share based payment has not been applied to any equity instruments that were granted on or before 7 November 2002, nor has it been applied to equity instruments granted after 7 November 2002 that vested before 1 January 2005. This treatment is consistent with the transitional provisions taken when the Company adopted FRS 20, the UK equivalent standard.
- Cumulative actuarial gains and losses on pensions and other post-employment benefits are recognised in full in equity on the date of transition to IFRS. This is the same treatment as under previous UK GAAP.

GERONIMO AIRPORTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 52 week period ended 28 March 2016

19. Transition to FRS 101 (continued)

| Reconciliation of equity as at 1 April 2014 | UK GAAP £ | Effect of transition to FRS 101 £ | FRS 101 £ |
|--|----------------------|--|----------------------|
| Fixed assets | | | |
| Tangible fixed assets | 1,281,765 | (4,952) | 1,276,813 |
| | 1,281,765 | (4,952) | 1,276,813 |
| Current assets | | | |
| Stocks | 72,646 | - | 72,646 |
| Debtors | 180,731 | - | 180,731 |
| Cash at bank | 201,299 | - | 201,299 |
| | 454,676 | - | 454,676 |
| Creditors: Due within one year | (2,331,586) | (220,491) | (2,552,077) |
| Net current liabilities | (1,876,910) | (220,491) | (2,097,401) |
| Total assets less current liabilities | (595,145) | (225,443) | (820,588) |
| Capital and reserves | | | |
| Called up share capital | 1 | - | 1 |
| Revaluation reserve | - | 24,768 | 24,768 |
| Retained earnings | (595,146) | (250,211) | (845,357) |
| Shareholders' funds | (595,145) | (225,443) | (820,588) |

GERONIMO AIRPORTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 52 week period ended 28 March 2016

19. Transition to FRS 101 (continued)

| Reconciliation of equity as at 31 March 2015 | UK GAAP £ | Effect of transition to FRS 101 £ | FRS 101 £ |
|---|----------------------|--|----------------------|
| Fixed assets | | | |
| Tangible fixed assets | 1,625,365 | 12,558 | 1,637,923 |
| | 1,625,365 | 12,558 | 1,637,923 |
| Current assets | | | |
| Stocks | 53,662 | - | 53,662 |
| Debtors | 184,300 | - | 184,300 |
| Cash at bank | 146,053 | - | 146,053 |
| | 384,015 | - | 384,015 |
| Creditors: Due within one year | (2,409,558) | (273,735) | (2,683,293) |
| Net current liabilities | (2,025,543) | (273,735) | (2,299,278) |
| Total assets less current liabilities | (400,178) | (261,177) | (661,355) |
| Capital and reserves | | | |
| Called up share capital | 1 | - | 1 |
| Revaluation reserve | - | 22,047 | 22,047 |
| Retained earnings | (400,179) | (283,224) | (683,403) |
| Shareholders' funds | (400,178) | (261,177) | (661,355) |

GERONIMO AIRPORTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 52 week period ended 28 March 2016

19. Transition to FRS 101 (continued)

Restatement of equity from UK GAAP to FRS 101

1) Tangible Fixed assets

Upon transition to FRS 101, the Company has elected to value its tangible fixed assets including land and buildings and fixtures and fittings using the revaluation model as opposed to the previously applied historical cost model. Under UK GAAP applying the revaluation model was not available, however measuring land and buildings at fair value is considered by the directors to provide increasingly relevant and reliable information for the users of the accounts.

In the prior period opening balance sheet, dated 1 April 2014, tangible fixed assets decreased by a net downward movement of £4,952, being an upward movement of £24,768 recognised in the revaluation reserve and a downward movement of £29,720 recognised in retained earnings.

In the prior period ended 30 March 2015, tangible fixed assets increased by a further net uplift in value of £17,510 being a downward movement of £2,721 recognised in the revaluation reserve, an upward movement of £2,424 and a decrease in depreciation of £17,807, both recognised in retained earnings.

2) Current and deferred tax

The tax impact upon transition to FRS 101 and the Company's decision to elect to value its tangible fixed assets including land and buildings and fixtures and fittings using the revaluation model created a deferred tax liability which was previously unrecognised.

In the prior period opening balance sheet, dated 1 April 2014, a deferred tax charge of £220,491 has been recognised in retained earnings.

In the prior period ended 30 March 2015, an additional deferred tax charge of £53,244 has been recognised in retained earnings.

3) Reconciliation of total comprehensive income

The effect of the re-measurement differences on the reported total comprehensive income of the Company for the period ended 30 March 2015 is as follows:

| | £ |
|--|----------------|
| Total comprehensive income for the period ended 30 March 2015 under UK GAAP | 194,967 |
| Depreciation charge under revaluation model (note 9) | 17,807 |
| Impairment credit under revaluation model (note 9) | 2,424 |
| Tax charge (note 8) | (53,244) |
| Decrease in reported profits for the period | (33,013) |
| Unrealised loss on revaluation of property | (2,721) |
| Total comprehensive income for the period ended 30 March 2015 under FRS 101 | 159,233 |