

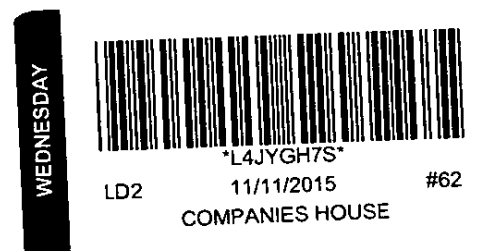
GRS Pub Investments Limited

Report and Financial Statements

Year ended

28 December 2014

Company Number 05895613



GRS Pub Investments Limited

Report and financial statements for the year ended 28 December 2014

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Directors

R K F Thomson
S E Kennedy

Registered office

31 Haverscroft Industrial Estate, New Road, Attleborough, Norfolk, NR17 1YE

Company number

05895613

Auditors

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

GRS Pub Investments Limited

Report of the directors for the year ended 28 December 2014

The directors present their report together with the audited financial statements for the year ended 28 December 2014

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year. No dividends were paid during the year (2013 - £Nil)

Principal activities and review of business

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

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

On 30 October 2015, the company sold the final property within its portfolio. As a result of this sale, the business activity of the company is expected to cease within the next twelve months. Accordingly, the accounts have not been prepared on a going concern basis. The effect of this is explained in note 1.

Directors

The directors who served during the year are as follows:

R K F Thomson
S E Kennedy

GRS Pub Investments Limited

Report of the directors for the year ended 28 December 2014 (*continued*)

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

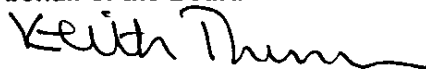
Auditors

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

A resolution to reappoint BDO LLP as auditors will be proposed at the next annual general meeting.

This director's report has been prepared under the small companies exemption.

On behalf of the Board



R K F Thomson
Director

Date

11/11/15

GRS Pub Investments Limited

Independent auditor's report

TO THE MEMBERS OF GRS PUB INVESTMENTS LIMITED

We have audited the financial statements of GRS Pub Investments Limited for the 52 weeks ended 28 December 2014 which comprises the profit and loss account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 December 2014 and of its profit for the 52 week year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – financial statements prepared other than a going concern basis

Without modifying our opinion, we draw attention to the disclosures made in Note 1 to the financial statements concerning the disposal of the company's entire portfolio by the 30 October 15, and the directors' intention for the company to cease trading within the next twelve months. Accordingly, the directors have not prepared the financial statements on a going concern basis.

GRS Pub Investments Limited

Independent auditor's report (*continued*)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime and to the exemption from the requirement to prepare a strategic report

BDO LLP

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

Date 11 November 2015

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

GRS Pub Investments Limited

Profit and loss account for the year ended 28 December 2014

		52 weeks ended 28 December 2014 £'000	52 weeks ended 29 December 2013 £'000
	Note		
Turnover	2	2,525	2,989
Cost of sales		(832)	(1,015)
Gross profit		1,693	1,974
Administrative expense		153	(2,048)
Other income	4	-	8
Operating profit / (loss)	5	1,846	(66)
Profit / (loss) on disposal of property, plant and equipment		(491)	514
Interest payable and similar charges	6	(1,011)	(1,075)
Profit / (loss) on ordinary activities before and after taxation	7,14	344	(627)

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

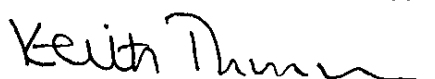
The notes on pages 8 to 17 form part of these financial statements

GRS Pub Investments Limited

Balance sheet at 28 December 2014

Company number 05895613	Note	28 December 2014 £'000	28 December 2014 £'000	29 December 2013 £'000	29 December 2013 £'000
Fixed assets			13,168		
Property, plant and equipment	8				13,850
Current assets					
Stock	10	172		254	
Debtors	11	189		619	
Cash at bank and in hand		307		108	
		<u>668</u>		<u>981</u>	
Creditors: amounts falling due within one year	12	(48,588)		(49,927)	
Net current liabilities			(47,920)		(48,946)
Net liabilities			(34,752)		(35,096)
Capital and reserves					
Called up share capital	13		13,890		13,890
Profit and loss account	14		(48,642)		(48,986)
Shareholders' deficit	15		(34,752)		(35,096)

The financial statements were approved by the Board and authorised for issue on 11/11/2015



R K F Thomson
Director

The notes on pages 8 to 17 form part of these financial statements

GRS Pub Investments Limited

Cash flow statement for the year ended 28 December 2014

	Note	52 weeks ended 28 December 2014 £	52 weeks ended 28 December 2014 £	52 weeks ended 29 December 2013 £	52 weeks ended 29 December 2013 £
Net cash inflow from operating activities	17		443		551
Returns on investments and servicing of finance					
Interest paid			(1,011)		(1,075)
Capital expenditure and financial investment					
Sale of fixed assets		2,269		4,515	
Purchase of fixed assets		(54)		(44)	
			2,215		4,471
Financing					
Repayments of bank loans			(1,448)		(4,262)
Cash inflow / (outflow) in the year	18,19		199		(315)

The notes on pages 8 to 17 form part of these financial statements

GRS Pub Investments Limited

Notes forming part of the financial statements for the year ended 28 December 2014

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Basis of preparation

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

With the disposal of the company's final property within its portfolio on the 30 October 2015, the Directors intend that the company will cease trading within the next twelve months. Accordingly, as required by paragraph 21 of Financial Reporting Standard number 18 Accounting Policies, and as permitted by SI 2008 / 409 schedule 1 (10)(2), the Directors have prepared the financial statements on a basis other than that of a going concern. The Directors have reviewed the company's assets and consider the value of all the assets disclosed in the financial statements to be equal to their net realisable value. The financial statements do not include any provision for costs relating to the potential liquidation as no firm decision had been made at 28 December 2014.

Tangible fixed assets

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

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

Freehold and leasehold buildings	- 50 years or the life of the lease if shorter
Public house fixtures and fittings	- 10 years
Motor vehicles	- 4 years
Office Equipment	- 3 years

Freehold land is not depreciated.

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

Impairment of tangible fixed assets

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

GRS Pub Investments Limited

Notes forming part of the financial statements for the year ended 28 December 2014 (*continued*)

1 Accounting policies (*continued*)

Turnover

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

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

Investments

Investments in subsidiary undertakings are stated at cost less provision for any diminution in value

Finance costs

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

Stock

Stock represents pubs held for development and resale and is measured at the lower of cost and net realisable value.

Deferred taxation

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

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

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

Deferred tax balances are not discounted.

GRS Pub Investments Limited

Notes forming part of the financial statements
for the year ended 28 December 2014 (continued)

2 Turnover

Turnover is wholly attributable to the principal activities of the company and arises solely within the United Kingdom

3 Employees

	52 weeks ended 28 December 2014 £'000	52 weeks ended 29 December 2013 £'000
Staff costs (including directors) consist of		
Wages and salaries	-	189
Social security costs	-	24
	<u>-</u>	<u>213</u>

During the year, £Nil (29 December 2013 - £117,209) of staff costs were recharged to related parties

The average number of employees (including directors) during the year was 2 (29 December 2013 - 4)

No directors received any remuneration in the current or previous year

4 Other income

No supplier commissions were received during the year (29 December 2013 - £8,000)

5 Operating profit

	52 weeks ended 28 December 2014 £'000	52 weeks ended 29 December 2013 £'000
This has been arrived at after charging		
Depreciation	108	129
Impairment charge / (Write back)	(2,132)	754
Audit fees	15	15
Provision against amounts due from related parties	592	0
	<u>592</u>	<u>0</u>

GRS Pub Investments Limited

Notes forming part of the financial statements
for the year ended 28 December 2014 (*continued*)

6 Interest payable and similar charges

	52 weeks ended 28 December 2014 £'000	52 weeks ended 29 December 2013 £'000
Bank loan interest	1,011	1,075
Amortisation of finance cost	-	-
	<u>1,011</u>	<u>1,075</u>

7 Taxation on profit on ordinary activities

	52 weeks ended 28 December 2014 £'000	52 weeks ended 29 December 2013 £'000
<i>Current tax</i>		
UK corporation tax	-	-

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

	52 weeks ended 28 December 2014 £'000	52 weeks ended 29 December 2013 £'000
Profit / (Loss) on ordinary activities before tax	344	(627)
Profit / (Loss) on ordinary activities at the standard rate of corporation tax in the UK of 21.51% (2013 - 23%)	76	(144)
Effects of		
Fixed asset differences	108	-
Expenses not deductible for tax purposes	35	183
Income not taxable	(469)	-
Tax losses utilised	226	(59)
Depreciation in excess of capital allowances	24	20
	<u>-</u>	<u>-</u>
Current tax charge for the year	-	-

Factors that may affect future tax charges

A potential deferred tax asset of £7m in respect of trading losses, has not been recognised on the grounds that there is insufficient evidence at the current time that the asset will be recoverable in the foreseeable future

GRS Pub Investments Limited

Notes forming part of the financial statements
for the year ended 28 December 2014 (*continued*)

8 Fixed assets

Property, plant and equipment

	Land and buildings £'000	Pub fixtures and fittings £'000	Motor vehicles £'000	Office equipment £'000	Total £'000
<i>Cost</i>					
At 30 December 2013	59,301	372	31	20	59,724
Additions	-	54	-	-	54
Disposals	(2,644)	(202)	-	-	(2,846)
At 28 December 2014	56,657	224	31	20	56,932
<i>Accumulated depreciation</i>					
At 30 December 2013	45,698	137	26	13	45,874
Charge for year	72	29	5	2	108
Disposals	-	(86)	-	-	(86)
Impairment charge	(2,132)	-	-	-	-
At 28 December 2014	43,638	80	31	15	43,764
<i>Net book value</i>					
At 28 December 2014	13,019	144	0	5	13,168
At 29 December 2013	13,603	235	5	7	13,850

9 Subsidiary undertakings

The principle subsidiary undertaking at the balance sheet date comprises a 100% holding in the ordinary issued share capital of Inn Portfolio, an unlimited company incorporated in England and Wales whose principal activities comprise the operation of pubs either under lease and tenancy agreements. Inn Portfolio was dormant during the period.

GRS Pub Investments Limited

Notes forming part of the financial statements
for the year ended 28 December 2014 (*continued*)

10 Stock	28 December 2014 £'000	29 December 2013 £'000
Land and buildings		
At 28 December 2014	172	254
	<hr/>	<hr/>
11 Debtors	28 December 2014 £'000	29 December 2013 £'000
Trade debtors	95	134
Other debtors	56	145
Prepayments and accrued income	38	340
	<hr/>	<hr/>
	189	619
	<hr/>	<hr/>
12 Creditors: amounts falling due within one year	28 December 2014 £'000	29 December 2013 £'000
Amounts due to group companies	2,352	1,742
Trade creditors	112	231
Other creditors	409	539
Accruals and deferred income	248	500
Bank loan	45,467	46,915
	<hr/>	<hr/>
	48,588	49,927
	<hr/>	<hr/>

The bank loan is secured by a fixed charge over the company's freehold property and bears interest at floating rates of three month LIBOR plus 1.65%. The bank covenants have been breached and the bank loan is repayable on demand.

GRS Pub Investments Limited

Notes forming part of the financial statements
for the year ended 28 December 2014 (*continued*)

13 Share capital

	28 December 2014	28 December 2014 Allotted, called up and fully paid £'000	29 December 2013	29 December 2013 Allotted called up and fully paid £'000
Ordinary shares of £1 each	<u>120,000</u>	<u>13,890</u>	<u>120,000</u>	<u>13,890</u>
	28 December 2014	28 December 2014 Allotted, called up and fully paid Number '000	29 December 2013	29 December 2013 Allotted called up and fully paid Number '000
Ordinary shares of £1 each	<u>120,000</u>	<u>13,890</u>	<u>120,000</u>	<u>13,890</u>

14 Reserves

	Profit and loss account £'000
At 30 December 2013	(48,986)
Profit for the year	344
	<u>(48,642)</u>
At 28 December 2014	<u>(48,642)</u>

15 Reconciliation of movement in shareholders' deficit

	52 weeks ended 28 December 2014 £'000	52 weeks ended 29 December 2013 £'000
Opening shareholders' deficit	(35,096)	(34,469)
Profit for the year	344	(627)
	<u>(34,752)</u>	<u>(35,096)</u>
Closing shareholders' deficit		

GRS Pub Investments Limited

Notes forming part of the financial statements
for the year ended 28 December 2014 (*continued*)

16 Related party transactions

At 28 December 2014, the following amounts are due from / (to) related parties

	Amounts due from related parties as at the year end 29 December 2013 £'000	Management fee income £'000	Payments £'000	Amounts due from related parties as at the year end 28 December 2014 £'000
Farlane Limited	-	-	-	-
Goldtry Limited	90	63	(57)	96
Indeed Nominee 1 Limited	328	114	150	592
Pebble Solutions Limited	89	(845)	699	(57)
Pubfolio Limited	(304)	523	(441)	(222)
GRS Pubs Limited	(2,070)	0	(281)	(2,351)

The related party transactions arise as a result of common directors and relates to trading activity during the period. During 2014 a provision of £592,000 was made against the amount due from Indeed Nominee 1 Limited.

Directors fees for the year were £80,000 (29 December 2013 - £80,000)

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

	Amounts due from related parties as at the year end 30 December 2012 £'000	Management fee income £'000	Payments £'000	Amounts due from related parties as at the year end 29 December 2013 £'000
Farlane Limited	245	-	(245)	-
Goldtry Limited	138	98	(146)	90
Indeed Nominee 1 Limited	84	137	107	328
Pebble Solutions Limited	-	(1,008)	919	89
Pubfolio Limited	(271)	884	(917)	(304)
GRS Pub Limited	(1,943)	-	(127)	(2,070)

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

GRS Pub Investments Limited

Notes forming part of the financial statements
for the year ended 28 December 2014 (*continued*)

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

	52 weeks ended 28 December 2014 £'000	52 weeks ended 29 December 2013 £'000
Operating profit / (loss)	1,846	(66)
Depreciation	108	129
Impairment of fixed assets	(2,132)	754
Decrease in debtors	430	548
(Increase) / Decrease in creditors	109	(814)
Decrease in stock	82	-
	<u>443</u>	<u>551</u>

18 Reconciliation of net cash inflow to movement in net debt

	52 weeks ended 28 December 2014 £'000	52 weeks ended 29 December 2013 £'000
Increase / (Decrease) in cash in the year	199	(315)
Cash outflow from repayment of debt	1,448	4,262
	<u>1,647</u>	<u>3,947</u>
Change in net debt resulting from cash flows		
Opening net debt	(46,807)	(50,754)
	<u>(45,160)</u>	<u>(46,807)</u>
Closing net debt		

GRS Pub Investments Limited

Notes forming part of the financial statements
for the year ended 28 December 2014 (*continued*)

19 Analysis of net debt

	At 1 January 2014 £'000	Cash flow £'000	At 28 December 2014 £'000
Cash in hand and at bank	108	199	307
Debt due within one year	(46,915)	1,448	(45,467)
Total	(46,807)	1,647	(45,160)

20 Ultimate controlling party

At 28 December 2014, the company's parent company was London Town Plc which is in administration