Company Registration No. 05310821 (England and Wales)

BETTING SHOP SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 1 MAY 2016

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BETTING SHOP SERVICES LIMITED

COMPANY INFORMATION

Directors	Mr D A Pears Mr M A Pears CBE Mr G R Knight Mr J W Knight
Secretary	Mr J W Knight
Company number	05310821
Registered office	4 Simon Campion Court 232-234 High Street Epping Essex CM16 4AU
Auditor	Arram Berlyn Gardner LLP 30 City Road London EC1Y 2AB

BETTING SHOP SERVICES LIMITED

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BETTING SHOP SERVICES LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 1 MAY 2016

The directors present their strategic report and financial statements for the period ended 1 May 2016.

Fair review of the business

The Group's turnover for the period was £35,309,517 (2015: £32,795,628) which resulted in an operating profit of £8,384 (2015: Operating Loss of £1,682,701).

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The principal risks are as follows:

Gaming and Regulatory Risk

The Group is exposed to varying degrees of earnings volatility primarily due to the uncertainty inherent in bookmaking. Wherever possible this risk is limited by clear policies on the size of individual bets taken and the aggregate potential exposure to any one particular result through sophisticated back office systems which allow management to constantly monitor liabilities and also through the use of various hedging as deemed appropriate by the directors. The Group is also subject to regulatory restrictions imposed on it by the Government and to changes in specific taxation provisions particular to the bookmaking industry.

Interest Rate Risk

The Group's trading income and operating cash flows are not directly linked to changes or movements in interest rates. The Group primarily finances its operations through a variety of borrowing facilities. The Group's loan borrowings are denominated in sterling and are borrowed principally at floating interest rates.

Liquidity Risk

Liquidity is the risk that cash may not be available to pay obligations when they fall due. Cash forecasts identifying the liquidity requirements of the Group are produced regularly and are reviewed in detail to ensure that sufficient headroom exists for at least the forthcoming twelve month period.

On behalf of the board

.....

Mr J W Knight

Director

20.11.16

BETTING SHOP SERVICES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 1 MAY 2016

The directors present their annual report and financial statements for the period ended 1 May 2016.

Principal activities
The principal activity of the Group continued to be provision of betting services.

Directors
The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr D A Pears
Mr M A Pears CBE
Mr G R Knight
Mr J W Knight

Results and dividends
The results for the period are set out on page 6.

The directors do not recommend payment of a dividend (2015: £nil).

Auditor
The auditor, Arram Berlyn Gardner LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, 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 and then apply them consistently;
- make judgements 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 and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

On behalf of the board

.....

Mr J W Knight

Director

30.11.16

BETTING SHOP SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BETTING SHOP SERVICES LIMITED

We have audited the financial statements of Betting Shop Services Limited for the period ended 1 May 2016 set out on pages 6 to 37. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 1 May 2016 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF BETTING SHOP SERVICES LIMITED

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 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.

Arram Berlyn-Gardner LLP

Julie Piper (Senior Statutory Auditor)
for and on behalf of Arram Berlyn Gardner LLP

1 December 2016

Chartered Accountants
Statutory Auditor

30 City Road
London
EC1Y 2AB

BETTING SHOP SERVICES LIMITED

GROUP STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 1 MAY 2016

	Notes		period ended 1 May 2016 £		period ended 26 April 2015 as restated £
Turnover	3		35,309,517		32,795,628
Cost of sales			(9,974,997)		(8,380,236)
Gross profit			25,334,520		24,415,392
Administrative expenses:					
Before exceptional items		(25,712,002)		(26,211,417)	
Loss on disposal of tangible fixed assets	4	-		(190,661)	
Insurance proceeds received	4	93,439		-	
			(25,618,563)		(26,402,078)
Other operating income			292,427		303,985
Operating profit/(loss)	5		8,384		(1,682,701)
Interest receivable and similar income	9		18,073		19,491
Interest payable and similar charges	10		(3,641,692)		(3,245,594)
Loss before taxation			(3,615,235)		(4,908,804)
Taxation	11		-		-
Loss for the financial period			(3,615,235)		(4,908,804)
Other comprehensive income			-		-
Total comprehensive income for the period			(3,615,235)		(4,908,804)

Total comprehensive income for the period is all attributable to the owners of the parent company.

BETTING SHOP SERVICES LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 1 MAY 2016

	Notes	1 May 2016 £	1 May 2016 £	26 April 2015 as restated £	26 April 2015 as restated £
Fixed assets					
Goodwill	12		6,291,377		7,126,893
Licences	12		32,037		36,702
Total intangible assets			6,323,414		7,163,595
Tangible assets	13		7,208,393		8,100,574
			13,531,807		15,264,169
Current assets					
Debtors	17	1,285,369		1,692,848	
Cash at bank and in hand		3,622,958		2,123,704	
		4,908,327		3,816,552	
Creditors: amounts falling due within one year	18	(12,788,090)		(16,920,065)	
Net current liabilities			(7,879,763)		(13,103,513)
Total assets less current liabilities			5,652,044		2,160,656
Creditors: amounts falling due after more than one year	19		(69,818,360)		(62,615,541)
Provisions for liabilities	21		(863,533)		(976,043)
Net liabilities			(65,029,849)		(61,430,928)
Capital and reserves					
Called up share capital	23		100,001		100,001
Other reserves	24		696,634		974,501
Profit and loss reserves	24		(65,826,484)		(62,505,430)
Total equity			(65,029,849)		(61,430,928)

The financial statements were approved by the board of directors and authorised for issue on 30.11.16 and are signed on its behalf by:

Mr D A Pears
Director

Mr G R Knight
Director

BETTING SHOP SERVICES LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 1 MAY 2016

	Notes	1 May 2016 £	1 May 2016 £	26 April 2015 as restated £	26 April 2015 as restated £
Fixed assets					
Intangible fixed assets	**12**		82,299		128,621
Tangible assets	**13**		2,506,695		2,774,863
Investments	**14**		9,248,428		11,643,760
			11,837,422		14,547,244
Current assets					
Debtors falling due after one year	**17**	52,837,681		49,557,342	
Debtors falling due within one year	**17**	527,681		749,277	
Cash at bank and in hand		2,561,346		1,167,842	
		55,926,708		51,474,461	
Creditors: amounts falling due within one year	**18**	(8,668,072)		(12,624,434)	
Net current assets			47,258,636		38,850,027
Total assets less current liabilities			59,096,058		53,397,271
Creditors: amounts falling due after more than one year	**19**		(73,447,714)		(65,013,120)
Provisions for liabilities	**21**		(523,138)		(547,464)
Net liabilities			(14,874,794)		(12,163,313)
Capital and reserves					
Called up share capital	**23**		100,001		100,001
Other reserves	**24**		696,634		974,501
Profit and loss reserves	**24**		(15,671,429)		(13,237,815)
Total equity			(14,874,794)		(12,163,313)

The financial statements were approved by the board of directors and authorised for issue on 30.11.16 and are signed on its behalf by:

.....
Mr D A Pears
Director

.....
Mr G R Knight
Director

Company Registration No. 05310821

BETTING SHOP SERVICES LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 1 MAY 2016

	Notes	Share capital	Other reserves	Profit and loss reserves	Total
		£	£	£	£
Balance at 28 April 2014		100,001	1,211,643	(57,857,052)	(56,545,408)
Period ended 26 April 2015:					
Loss and total comprehensive income for the period	**29**	-	-	(4,908,804)	(4,908,804)
Transfers	**29**	-	(260,426)	260,426	-
Other movements	**29**	-	23,284	-	23,284
Balance at 26 April 2015		100,001	974,501	(62,505,430)	(61,430,928)
Period ended 1 May 2016:					
Loss and total comprehensive income for the period		-	-	(3,615,235)	(3,615,235)
Transfers		-	(294,181)	294,181	-
Other movements		-	16,314	-	16,314
Balance at 1 May 2016		100,001	696,634	(65,826,484)	(65,029,849)

BETTING SHOP SERVICES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 1 MAY 2016

	Notes	Share capital	Other reserves	Profit and loss reserves	Total
		£	£	£	£
Balance at 28 April 2014		100,001	1,211,643	(11,236,638)	(9,924,994)
Period ended 26 April 2015:					
Loss and total comprehensive income for the period	**29**	-	-	(2,261,603)	(2,261,603)
Transfers	**29**	-	(260,426)	260,426	-
Other movements	**29**	-	23,284	-	23,284
Balance at 26 April 2015		100,001	974,501	(13,237,815)	(12,163,313)
Period ended 1 May 2016:					
Loss and total comprehensive income for the period		-	-	(2,727,795)	(2,727,795)
Transfers		-	(294,181)	294,181	-
Other movements		-	16,314	-	16,314
Balance at 1 May 2016		100,001	696,634	(15,671,429)	(14,874,794)

BETTING SHOP SERVICES LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 1 MAY 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28		3,060,514		(18,579)
Interest paid			(298,102)		(439,297)
Net cash inflow/(outflow) from operating activities			2,762,412		(457,876)
Investing activities					
Purchase of intangible assets		-		(500)	
Purchase of tangible fixed assets		(893,302)		(780,305)	
Proceeds on disposal of tangible fixed assets		1,752		329,719	
Profit on disposal of tangible fixed assets		-		1,998	
Interest received		18,073		19,491	
Net cash used in investing activities			(873,477)		(429,597)
Financing activities					
Net movements on other loans		7,202,819		2,471,812	
Repayment of bank loans		(7,592,500)		(1,200,000)	
Payment of finance leases obligations		-		(13,228)	
Net cash (used in)/generated from financing activities			(389,681)		1,258,584
Net increase in cash and cash equivalents			1,499,254		371,111
Cash and cash equivalents at beginning of period			2,123,704		1,752,593
Cash and cash equivalents at end of period			3,622,958		2,123,704

1 Accounting policies

Company information

Betting Shop Services Limited ("the Company") is a private company limited by shares domiciled and incorporated in England. The registered office is 4 Simon Campion Court, 232-234 High Street, Epping, Essex, CM16 4AU.

The group consists of Betting Shop Services Limited and all of its subsidiaries, as listed in note 15.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

These group and company financial statements for the period ended 1 May 2016 are the first financial statements of Betting Shop Services Limited and the group prepared in accordance with FRS 102. The date of transition to FRS 102 was 28 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 29.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £2,727,795 (2015 - £2,261,603 loss).

The financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Basis of consolidation

In the parent company financial statements, 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. 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. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

1 Accounting policies **(Continued)**

The consolidated financial statements incorporate those of Betting Shop Services Limited and all of its subsidiaries.

All financial statements are made up to 1 May 2016. Their results are incorporated from the date that control passes.

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.

1.3 Going concern

The accounts have been prepared on a going concern basis even though the group has net liabilities of £65,029,849 (2015: £61,430,928). The validity of the going concern concept is dependent upon the continuing support of its principal long-term creditors. The directors are not aware of any intentions of this being withdrawn and have received confirmation from the principal long-term creditors of their continued support for 12 months from the date of signing of these accounts.

Accordingly the directors are confident that the company will continue to remain a going concern for the foreseeable future.

1.4 Turnover - rendering of services

Turnover is the amount derived from ordinary activities and represents customers' stakes less amounts won by customers in respect of bookmaking transactions, including fixed odds betting terminals and profit shares receivable and stated after trade discounts and sales taxes.

Interest income is recognised as interest accrues using the effective interest method, and is shown including related fees, finance charges paid or received and associated transaction costs.

1.5 Intangible fixed assets - goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised on a straight line basis over its estimated economic life of 20 years.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Licences	over the length of the lease

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The assets residual lives and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. The effect of any change in accounted for prospectively.

1 Accounting policies **(Continued)**

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	over the length of the lease
Plant and machinery	3-5 years (straight line)
Motor vehicles	3-5 years (straight line)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.8 Fixed asset investments

Equity instruments which are measured at fair value through profit or loss are not publicly traded and their fair value cannot otherwise be measured reliably, are recognised at cost less impairment. The assets residual lives and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. The effect of any change in accounted for prospectively.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1 Accounting policies **(Continued)**

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 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 in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 debtors 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

1 Accounting policies **(Continued)**

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 group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between treatment of certain items for taxation and accounting purposes. Deferred tax balances are not discounted.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.14 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision in measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.15 Employee benefits

The costs 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Rentals payable under operating leases are charged 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements 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.

Tangible fixed assets

Accounting for tangible assets involves the use of estimates and judgements for determining the useful lives over which these are to be depreciated and the existence and amount of any impairment.

Tangible assets are depreciated on a straight line basis over their estimated useful lives and taking into account their expected residual values. When the Group estimates useful lives, various factors are considered including expected technological obsolescence and the expected usage of the asset.

The Directors regularly review these asset lives and change them as necessary to reflect the estimated current remaining lives in light of technological changes, future economic utilisation and physical condition of the assets concerned. A significant change in asset lives can have a significant change on depreciation and amortisation charges for the period.

Impairment of intangible assets and goodwill

The Group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the intangible asset.

Impairment of debtors

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

2 Judgements and key sources of estimation uncertainty **(Continued)**

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. This obligation may be legal or constructive deriving from regulations, contracts, normal practices or public commitments that lead third parties to reasonably expect that the Group will assume certain responsibilities. The amount of the provision is determined based on the best estimate of the outflow of resources required to settle the obligation, taking into account all available information.

No provision is recognised if the amount of liability cannot be estimated reliably. In this case, the relevant information is disclosed in the notes to the financial statements.

Given the uncertainties inherent in the estimates used to determine the amount of provision, actual outflows of resources may differ from the amounts recognised originally on the basis of the estimates.

Taxation

The Group evaluates the recoverability of deferred tax assets based on estimates of future earnings. The ability to recover these taxes depends ultimately on the Group's ability to generate taxable earnings over the course of the period for which the deferred tax assets remain deductible. This analysis is based on the estimated reversal of deferred taxes as well as estimates of taxable earnings, which are sourced from internal projections and are updated to reflect the latest trends.

The appropriate classification of tax assets and liabilities depends on a number of factors, including estimates as to the timing and materialisation of deferred tax assets and the forecast tax payment schedule. Actual tax receipts and payments could differ from the estimates made by Group as a result of changes in tax legislation or unforeseen transactions that could affect tax balances.

3 Turnover and other revenue

The total turnover of the group for the period has been derived from its principle activity wholly undertaken in the United Kingdom.

An analysis of the group's turnover is as follows:

	2016	2015
	£	£
Turnover		
Rendering of services	35,309,517	32,795,628
Other significant revenue		
Interest income	18,073	19,491

4 Exceptional (income)/costs

	2016	2015
	£	£
Loss on disposal of tangible fixed assets	-	190,661
Insurance proceeds received	(93,439)	-
	(93,439)	190,661

Loss on closure of betting shops during the prior year were treated as exceptional on the basis of value.

During the year, there was significant flood damage to two shops and the group incurred incidental costs of £34,500 as a result. The group received insurance proceeds of £127,939 to replace fixed assets and cover the incidental costs. This income has been treated as exceptional on the basis of it being a one-off credit separate from the group's financial performance during the year.

5 Operating profit/(loss)

	2016	2015
	£	£
Operating profit/(loss) for the period is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	1,783,154	1,690,764
Depreciation of tangible fixed assets held under finance leases	1	4,350
Loss on disposal of tangible fixed assets	576	190,661
Profit on disposal of tangible fixed assets	-	(1,998)
Insurance proceeds received	(93,439)	-
Amortisation of intangible assets	793,237	888,286
Operating lease charges	3,615,538	3,817,924

6 Auditor's remuneration

	2016	2015
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	12,750	8,375
Audit of the company's subsidiaries	50,698	42,377
Non audit services	12,000	-
	75,448	50,752

7 Employees

The average monthly number of persons (including directors) employed by the group during the period was:

	2016 Number	2015 Number
Directors	4	4
Head office	32	35
Shop staff	413	403
	449	442

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	8,122,851	8,585,349
Social security costs	649,636	759,927
Pension costs	84,379	97,844
	8,856,866	9,443,120

8 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	219,027	218,974
Company pension contributions to defined contribution schemes	3,600	3,600
	222,627	222,574

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2015 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	110,702	110,688
Company pension contributions to defined contribution schemes	3,600	3,600

9 Interest receivable and similar income

	2016	2015
	£	£
Interest income		
Interest on bank deposits	7,176	5,061
Other interest income	10,897	14,430
Total income	18,073	19,491

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	7,176	5,061

10 Interest payable and similar charges

	2016	2015
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	206,947	422,222
Other interest on financial liabilities	3,434,745	2,823,372
	3,641,692	3,245,594

11 Taxation

The charge for the period can be reconciled to the profit per the income statement as follows:

	2016	2015
	£	£
Loss on ordinary activities before taxation	(3,615,235)	(4,908,804)
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	(723,047)	(1,030,849)
Tax effect of expenses that are not deductible in determining taxable profit	142,512	176,730
Tax effect of utilisation of tax losses not previously recognised	(395,998)	(240,706)
Permanent capital allowances in excess of depreciation	151	(30,785)
Other permanent differences	321,894	321,324
Creation of tax losses	654,488	804,286
Tax expense for the period	-	-

12 Intangible fixed assets

Group	Goodwill	Licences	Total
	£	£	£
Cost			
At 27 April 2015	12,131,294	74,309	12,205,603
Disposals	(149,999)	-	(149,999)
At 1 May 2016	11,981,295	74,309	12,055,604
Amortisation and impairment			
At 27 April 2015	5,004,401	37,607	5,042,008
Amortisation charged for the period	788,572	4,665	793,237
Disposals	(103,055)	-	(103,055)
At 1 May 2016	5,689,918	42,272	5,732,190
Carrying amount			
At 01 May 2016	6,291,377	32,037	6,323,414
At 26 April 2015	7,126,893	36,702	7,163,595

Company	Goodwill
	£
Cost	
At 27 April 2015 and 1 May 2016	208,447
Amortisation and impairment	
At 27 April 2015	79,826
Amortisation charged for the period	46,322
At 1 May 2016	126,148
Carrying amount	
At 01 May 2016	82,299
At 26 April 2015	128,621

13 Tangible fixed assets

Group	Land and buildings Leasehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 27 April 2015	12,282,804	7,555,247	78,228	19,916,279
Additions	486,963	406,339	-	893,302
Disposals	-	(16,491)	(26,398)	(42,889)
At 1 May 2016	12,769,767	7,945,095	51,830	20,766,692
Depreciation and impairment				
At 27 April 2015	5,389,721	6,358,684	67,300	11,815,705
Depreciation charged in the period	1,270,128	507,478	5,549	1,783,155
Eliminated in respect of disposals	-	(16,489)	(24,072)	(40,561)
At 1 May 2016	6,659,849	6,849,673	48,777	13,558,299
Carrying amount				
At 01 May 2016	6,109,918	1,095,422	3,053	7,208,393
At 26 April 2015	6,893,083	1,196,563	10,928	8,100,574

Company	Land and buildings Leasehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 27 April 2015	4,953,036	2,704,158	30,825	7,688,019
Additions	61,641	96,179	-	157,820
At 1 May 2016	5,014,677	2,800,337	30,825	7,845,839
Depreciation and impairment				
At 27 April 2015	2,345,834	2,536,497	30,825	4,913,156
Depreciation charged in the period	364,413	61,575	-	425,988
At 1 May 2016	2,710,247	2,598,072	30,825	5,339,144
Carrying amount				
At 01 May 2016	2,304,430	202,265	-	2,506,695
At 26 April 2015	2,607,202	167,661	-	2,774,863

13 Tangible fixed assets **(Continued)**

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Motor vehicles	1	-	-	-
Depreciation charge for the period in respect of leased assets	1	4,350	-	-

14 Fixed asset investments

		Group		Company	
		2016	2015	2016	2015
	Notes	£	£	£	£
Investments in subsidiaries	15	-	-	9,248,428	11,643,760

Movements in fixed asset investments

Company	**Shares in group undertakings**
	£
Cost or valuation	
At 27 April 2015	11,643,760
Valuation changes	(2,395,332)
At 1 May 2016	9,248,428
Carrying amount	
At 01 May 2016	9,248,428
At 26 April 2015	11,643,760

15 Subsidiaries

Details of the company's subsidiaries at 1 May 2016 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct	Indirect
Betting Shop Operations Limited	England and Wales	Provision of betting services	Ordinary	100.00	
Jennings Racing Limited	England and Wales	Provision of betting services	Ordinary	100.00	
Jennings Racing (2006) Limited	England and Wales	Provision of betting services	Ordinary	100.00	
Jennings (SL) Limited	England and Wales	Provision of management services	Ordinary	100.00	
Joe Jennings Bookmakers Limited	England and Wales	Provision of betting services	Ordinary	100.00	

16 Financial instruments

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	4,307,224	3,090,415	55,609,197	51,130,976
Equity instruments measured at cost less impairment	-	-	9,248,428	11,643,760
Carrying amount of financial liabilities				
Measured at amortised cost	67,519,486	66,352,314	72,167,166	69,805,786

17 Debtors

	Group		Company	
	2016	2015	2016	2015
Amounts falling due within one year:	£	£	£	£
Other debtors	684,266	966,711	210,170	405,792
Prepayments and accrued income	601,103	726,137	317,511	343,485
	1,285,369	1,692,848	527,681	749,277
Amounts falling due after one year:				
Amounts due from subsidiary undertakings	-	-	52,837,681	49,557,342
Total debtors	1,285,369	1,692,848	53,365,362	50,306,619

Intercompany loan balances are interest bearing at 6% and are repayable by 1 May 2018.

18 Creditors: amounts falling due within one year

	Notes	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans and overdrafts	20	-	7,592,500	-	7,592,500
Trade creditors		1,190,889	1,194,497	319,944	353,749
Other taxation and social security		232,840	237,864	-	-
Other creditors		3,937,299	1,422,490	3,373,818	762,301
Accruals and deferred income		7,427,062	6,472,714	4,974,310	3,915,884
		12,788,090	16,920,065	8,668,072	12,624,434

19 Creditors: amounts falling due after more than one year

	Notes	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Other borrowings	20	69,818,360	62,615,541	69,818,250	62,614,541
Amounts due to group undertakings		-	-	3,629,464	2,398,579
		69,818,360	62,615,541	73,447,714	65,013,120

Shareholder and other long-term loan balances are interest bearing between 2 - 13% and are repayable by 1 May 2018.

20 Loans and overdrafts

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans	-	7,592,500	-	7,592,500
Other loans	69,818,360	62,615,541	69,818,250	62,614,541
	69,818,360	70,208,041	69,818,250	70,207,041
Payable within one year	-	7,592,500	-	7,592,500
Payable after one year	69,818,360	62,615,541	69,818,250	62,614,541

21 Provisions for liabilities

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Onerous contracts	863,533	976,043	523,138	547,464

Movements on provisions:

Group	Onerous contracts £
At 27 April 2015	976,043
Additional provisions in the year	28,516
Utilisation of provision	(141,026)
At 1 May 2016	863,533

Company	Onerous contracts £
At 27 April 2015	547,464
Utilisation of provision	(24,326)
At 1 May 2016	523,138

22 Retirement benefit schemes

Defined contribution schemes	2016 £	2015 £
Charge to profit and loss in respect of defined contribution schemes	84,379	97,844

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.

23 Share capital

	Group and company	
	2016	2015
Ordinary share capital	£	£
Issued and fully paid		
1,000 A Ordinary shares of 0.1p each	1	1
1,000 B Ordinary shares of 0.1p each	1	1
99,999 Deferred shares of £1 each	99,999	99,999
	100,001	100,001

In respect of Ordinary A shares and Ordinary B shares, there are no restrictions on the distribution of dividends and the repayment of capital.

The deferred shares shall confer no rights on the holders thereof any entitlement to any dividend or other participation in the profits or the assets of the Company. The deferred shareholders shall not be entitled to receive notice of nor to attend any general meetings of the Company nor shall they be entitled to vote upon any resolution of the company.

The deferred shareholders shall have no rights of pre-emption, first refusal, first offer or similar on the issue of new shares of any class by the Company and/or any transfer of any class of shares in the Company by any shareholder.

The deferred shares shall on a liquidation, winding up or other repayment of capital entitle the holders to receive only the amount paid up on each such share but only after the ordinary shareholders shall have received £10,000,000 per share and the deferred shareholders shall not be entitled to any further participation in the assets or profits of the Company.

24 Reserves

Other reserve
This reserve represents the capital contribution arising on the restatement of shareholder and other loans following transition to FRS102 and is non-distributable.

Profit and loss reserves
Retained earnings represents accumulated comprehensive income for the year and prior periods less dividends paid.

25 Financial commitments, guarantees and contingent liabilities

The group had a cross guarantee in respect of bank overdraft and loan facilities. All companies had a joint and several liability for the total indebtedness in Betting Shop Services Limited, which at the period end amounted to £nil (2015: £7,592,000), and was secured by a fixed and floating charge over the assets of the group.

The group also has a cross guarantee in respect of loans from WPG Treasury Limited, a company in which the directors Mr M A Pears CBE and Mr D A Pears have an interest, for the total indebtedness in Betting Shop Services Limited of £56,527,606 (2015: £54,292,335). This is secured by a fixed and floating charge over the assets of the group.

The group also has a cross guarantee in respect of loans from Mr D A Pears, a shareholder in the company. All companies have a joint and several liability for the total indebtedness in Betting Shop Services Limited, which at the period end amounted to £8,300,881 (2015: £nil), and is secured by a fixed and floating charge over the assets of the group.

The group also has a cross guarantee in respect of loans from Mr G R Knight, Mr J W Knight and Mrs C Boxall, shareholders in the company. All companies have a joint and several liability for the total indebtedness in Betting Shop Services Limited, which at the period end amounted to £13,165,379 (2015: £11,968,609), and is secured by a fixed and floating charge over the assets of the group.

26 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Within one year	135,595	130,118	12,300	-
Between two and five years	3,038,457	3,365,545	491,583	480,333
In over five years	18,341,718	20,609,712	9,932,501	11,555,917
	21,515,770	24,105,375	10,436,384	12,036,250

27 Related party transactions

Remuneration of key management personnel

All directors and certain senior employees who have authority for planning, directing and controlling the activities of the group are considered to be key management personnel.

The total remuneration in respect of these individuals is as follows:

	2016 £	2015 £
Aggregate compensation	529,560	519,703

Group and Company

The group and company have the following related party transactions:

	Loans £	Accrued Interest £	Interest charge for the year £
Entities with significant influence over the company	45,233,498	11,294,107	1,852,092
Key management personnel	16,867,139	4,599,122	1,127,204
At 1 May 2016	62,100,637	15,893,229	2,979,296
At 26 April 2015	53,494,205	12,766,739	2,398,676

Group

During the year the group paid rent of £270,881 (2015: £309,905) to an entity of which two of the directors are also directors and shareholders. At the balance sheet date an amount of £13,083 (2015: £17,639) was owed to that entity.

During the year the group paid rent of £48,000 (2015: £48,000) to a partnership in which two of the directors are partners.

At the balance sheet date an amount of £168,700 (2015: £202,901) was owed from an entity with directors in common with the group.

Company

The company has taken advantage of the exemptions from disclosure available under section 33 of FRS102 in connection with intra group transactions.

During the year the company paid rent of £103,817 (2015: £155,124) to an entity of which two of the directors are also directors and shareholders. At the balance sheet date an amount of £6,000 (2015: £6,000) was owed to that entity.

28 Cash generated from group operations

	2016	2015
	£	£
Loss for the year after tax	(3,615,235)	(4,908,804)
Adjustments for:		
Finance costs	3,641,692	3,245,594
Investment income	(18,073)	(19,491)
Loss on disposal of tangible fixed assets	576	-
Gain on disposal of investment property	-	(1,998)
Amortisation and impairment of intangible assets	793,237	888,286
Depreciation and impairment of tangible fixed assets	1,783,155	1,695,114
(Decrease)/increase in provisions	(112,510)	127,073
Movements in working capital:		
Decrease in debtors	407,479	7,978
Increase/(decrease) in creditors	180,193	(1,052,331)
Cash generated from/(absorbed by) operations	3,060,514	(18,579)

29 Reconciliations on adoption of FRS 102

Reconciliation of equity - group

	Notes	27 April 2014	1 May 2015
		£	£
Equity as reported under previous UK GAAP		(57,663,653)	(62,312,031)
Adjustments arising from transition to FRS 102:			
Shareholder loans - Original loan and accrued interest discounted	1	1,211,643	1,211,643
Shareholder loans - Discounting of loan advances	1	-	23,284
Shareholder loans - Unwinding of discounting	1	-	(260,426)
Holiday pay accrual	2	(93,398)	(93,398)
Equity reported under FRS 102		(56,545,408)	(61,430,928)

Reconciliation of profit or loss - group

	Notes	2015
		£
Profit or loss as reported under previous UK GAAP		(4,648,378)
Adjustments arising from transition to FRS 102:		
Shareholder loans - Unwinding of discounting	1	(260,426)
Profit or loss reported under FRS 102		(4,908,804)

29 Reconciliations on adoption of FRS 102 **(Continued)**

Reconciliation of equity - group

		At 27 April 2014					
		Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102
	Notes	£	£	£	£	£	£
Fixed assets							
Goodwill		8,010,014	-	8,010,014	7,126,893	-	7,126,893
Other intangibles		41,367	-	41,367	36,702	-	36,702
Tangible assets		9,345,102	-	9,345,102	8,100,574	-	8,100,574
		17,396,483	-	17,396,483	15,264,169	-	15,264,169
Current assets							
Debtors		1,700,826	-	1,700,826	1,692,848	-	1,692,848
Bank and cash		1,752,593	-	1,752,593	2,123,704	-	2,123,704
		3,453,419	-	3,453,419	3,816,552	-	3,816,552
Creditors due within one year							
Loans and overdrafts		(8,792,500)	-	(8,792,500)	(7,592,500)	-	(7,592,500)
Finance leases		(13,228)	-	(13,228)	-	-	-
Taxation		(187,877)	-	(187,877)	(237,864)	-	(237,864)
Other creditors	2	(8,528,470)	(93,398)	(8,621,868)	(8,996,303)	(93,398)	(9,089,701)
		(17,522,075)	(93,398)	(17,615,473)	(16,826,667)	(93,398)	(16,920,065)
Net current liabilities		(14,068,656)	(93,398)	(14,162,054)	(13,010,115)	(93,398)	(13,103,513)
Total assets less current liabilities		3,327,827	(93,398)	3,234,429	2,254,054	(93,398)	2,160,656
Creditors due after one year							
Loans and overdrafts	1	(60,143,729)	1,211,643	(58,932,086)	(63,590,042)	974,501	(62,615,541)
Provisions for liabilities							
Deferred tax		1,219	-	1,219	-	-	-
Other provisions		(848,970)	-	(848,970)	(976,043)	-	(976,043)
		(847,751)	-	(847,751)	(976,043)	-	(976,043)
Net assets		(57,663,653)	1,118,245	(56,545,408)	(62,312,031)	881,103	(61,430,928)

29 Reconciliations on adoption of FRS 102 **(Continued)**

		At 27 April 2014					
		Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102
	Notes	£	£	£	£	£	£
Capital and reserves							
Share capital		100,001	-	100,001	100,001	-	100,001
Other reserves	1	-	1,211,643	1,211,643	-	974,501	974,501
Profit and loss	2	(57,763,654)	(93,398)	(57,857,052)	(62,412,032)	(93,398)	(62,505,430)
Total equity		(57,663,653)	1,118,245	(56,545,408)	(62,312,031)	881,103	(61,430,928)

Reconciliation of profit or loss for the year - group

		Period ended 1 May 2015		
		Previous UK GAAP	Effect of transition	FRS 102
	Notes	£	£	£
Turnover		32,795,628	-	32,795,628
Cost of sales		(8,380,236)	-	(8,380,236)
Gross loss		24,415,392	-	24,415,392
Administrative expenses		(26,211,417)	-	(26,211,417)
Other operating income		303,985	-	303,985
Exceptional items		(190,661)	-	(190,661)
Operating profit		(1,682,701)	-	(1,682,701)
Interest receivable and similar income		19,491	-	19,491
Interest payable and similar charges	1	(2,985,168)	(260,426)	(3,245,594)
Loss before taxation		(4,648,378)	(260,426)	(4,908,804)
Taxation		-	-	-
Loss for the financial period		(4,648,378)	(260,426)	(4,908,804)

Notes to reconciliations on adoption of FRS 102 - group

1. Long term shareholder loans

FRS102 requires a financial liability, which originated from a financing transaction, to be measured at the present value of the future cash payments discounted at a market rate of interest for a similar debt instrument. Details of the changes in respect of the transitional and comparative periods are set out above.

29 Reconciliations on adoption of FRS 102 **(Continued)**

2. Holiday pay accrual

FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee service is received. This has resulted in the group recognising a liability for holiday pay of £93,398 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. In the period to 26 April 2015 there was no additional charge and the liability remained at £93,398.

3. Rent free period

Under previous UK GAAP operating lease incentives, including rent free periods and fit-out contributions, were spread over the shorter of the lease period or the period to when the rental was set to a fair market rent. FRS 102 requires such incentives to be spread over the lease period. The company has taken advantage of the exemption for existing leases at the transition date to continue to recognise these lease incentives on the same basis as previous UK GAAP.

Reconciliation of equity - company

	Notes	27 April 2014 £	1 May 2015 £
Equity as reported under previous UK GAAP		(11,411,288)	(13,595,981)
Adjustments arising from transition to FRS 102:	1		
Intercompany loans - Unwinding of discounting		-	2,156,855
Intercompany loans - Original loan discounted		274,651	274,651
Intercompany loans - Discounting loan advances		-	246,299
Impairment of investments in subsidiaries		-	(2,219,638)
Shareholder loans - Original loan and accrued interest discounted		1,211,643	1,211,643
Shareholder loans - Discounting of loan advances		-	23,284
Shareholder loans - Unwinding of discounting		-	(260,426)
Equity reported under FRS 102		(9,924,994)	(12,163,313)

Reconciliation of profit or loss - company

	Notes	2015 £
Profit or loss as reported under previous UK GAAP		(2,184,693)
Adjustments arising from transition to FRS 102:	1	
Intercompany loans - Unwinding of discounting		2,156,855
Intercompany loans - Discounting loan advances		246,299
Impairment of investments in subsidiaries		(2,219,638)
Shareholder loans - Unwinding of discounting		(260,426)
Profit or loss reported under FRS 102		(2,261,603)

29 Reconciliations on adoption of FRS 102 **(Continued)**

Reconciliation of equity - company

	Notes	At 27 April 2014 Previous UK GAAP £	Effect of transition £	FRS 102 £	At 1 May 2015 Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets							
Goodwill		174,943	-	174,943	128,621	-	128,621
Tangible assets		3,289,744	-	3,289,744	2,774,863	-	2,774,863
Investments	1	3,899,682	9,589,578	13,489,260	3,899,682	7,744,078	11,643,760
		7,364,369	9,589,578	16,953,947	6,803,166	7,744,078	14,547,244
Current assets							
Debtors due after one year	1	54,510,596	(9,589,578)	44,921,018	(91,370,606)	(7,744,078)	(99,114,684)
Debtors due within one year		781,238	-	781,238	149,421,303	-	149,421,303
Bank and cash		865,119	-	865,119	1,167,842	-	1,167,842
		56,156,953	(9,589,578)	46,567,375	59,218,539	(7,744,078)	51,474,461
Creditors due within one year							
Loans and overdrafts		(8,792,500)	-	(8,792,500)	(7,592,500)	-	(7,592,500)
Other creditors		(4,393,007)	-	(4,393,007)	(5,031,934)	-	(5,031,934)
		(13,185,507)	-	(13,185,507)	(12,624,434)	-	(12,624,434)
Net current assets		42,971,446	(9,589,578)	33,381,868	46,594,105	(7,744,078)	38,850,027
Total assets less current liabilities		50,335,815	-	50,335,815	53,397,271	-	53,397,271
Creditors due after one year							
Loans and overdrafts	1	(60,143,729)	1,211,643	(58,932,086)	(63,589,042)	974,501	(62,614,541)
Other creditors	1	(1,321,034)	274,651	(1,046,383)	(2,856,746)	458,167	(2,398,579)
		(61,464,763)	1,486,294	(59,978,469)	(66,445,788)	1,432,668	(65,013,120)
Provisions for liabilities							
Other provisions		(282,340)	-	(282,340)	(547,464)	-	(547,464)
Net assets		(11,411,288)	1,486,294	(9,924,994)	(13,595,981)	1,432,668	(12,163,313)

29 Reconciliations on adoption of FRS 102 **(Continued)**

		At 27 April 2014			At 1 May 2015		
		Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102
	Notes	£	£	£	£	£	£
Capital and reserves							
Share capital		100,001	-	100,001	100,001	-	100,001
Other reserves	1	-	1,211,643	1,211,643	-	974,501	974,501
Profit and loss	1	(11,511,289)	274,651	(11,236,638)	(13,695,982)	458,167	(13,237,815)
Total equity		(11,411,288)	1,486,294	(9,924,994)	(13,595,981)	1,432,668	(12,163,313)

Reconciliation of profit or loss for the year - company

		Period ended 1 May 2015		
		Previous UK GAAP	Effect of transition	FRS 102
	Notes	£	£	£
Turnover		6,441,570	-	6,441,570
Administrative expenses	1	(6,020,165)	(2,219,638)	(8,239,803)
Exceptional items		(135,661)	-	(135,661)
Operating profit		285,744	(2,219,638)	(1,933,894)
Interest receivable and similar income	1	525,544	2,465,937	2,991,481
Interest payable and similar charges	1	(2,995,981)	(323,209)	(3,319,190)
Loss before taxation		(2,184,693)	(76,910)	(2,261,603)
Taxation		-	-	-
Loss for the financial period		(2,184,693)	(76,910)	(2,261,603)

Notes to reconciliations on adoption of FRS 102 - company

1. Long term intercompany and shareholder loans

FRS102 requires a financial liability, which originated from a financing transaction, to be measured at the present value of the future cash payments discounted at a market rate of interest for a similar debt instrument. Details of the changes in respect of the transitional and comparative periods are set out above.

2. Rent free period

Under previous UK GAAP operating lease incentives, including rent free periods and fit-out contributions, were spread over the shorter of the lease period or the period to when the rental was set to a fair market rent. FRS 102 requires such incentives to be spread over the lease period. The company has taken advantage of the exemption for existing leases at the transition date to continue to recognise these lease incentives on the same basis as previous UK GAAP.