
PRESTBURY WENTWORTH INTERMEDIATE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2013

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PRESTBURY WENTWORTH INTERMEDIATE LIMITED

COMPANY INFORMATION

DIRECTORS	T J Evans S L Gumm
COMPANY SECRETARY	S L Gumm
REGISTERED NUMBER	04914723
REGISTERED OFFICE	Cavendish House 18 Cavendish Square London W1G 0PJ
INDEPENDENT AUDITORS	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

PRESTBURY WENTWORTH INTERMEDIATE LIMITED

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PRESBURY WENTWORTH INTERMEDIATE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2013**

The directors present their report and the financial statements for the year ended 31 May 2013

PRINCIPAL ACTIVITIES

The principal activity of the company is acting as an intermediate holding company within the property investment group headed by Prestbury Wentworth Holdings Limited

BUSINESS REVIEW

The company itself did not undertake any operating activities during the year and does not have any employees

DIRECTORS

The directors who served during the year were

T J Evans
S L Gumm

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management objectives and policies

The company's only significant financial instruments are investments in subsidiary undertakings and inter-company balances

The company is not exposed to any significant risks or uncertainties

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

PRESTBURY WENTWORTH INTERMEDIATE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2013**

AUDITORS

BDO LLP have expressed their willingness to continue in office

This report was approved by the board on 28 February 2014 and signed on its behalf



S L Gumm
Director

PRESTBURY WENTWORTH INTERMEDIATE LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MAY 2013**

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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

PRESTBURY WENTWORTH INTERMEDIATE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRESTBURY WENTWORTH INTERMEDIATE LIMITED

We have audited the financial statements of Prestbury Wentworth Intermediate Limited for the year ended 31 May 2013, which comprise the profit and loss account, the balance sheet 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council'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 31 May 2013 and of its results for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

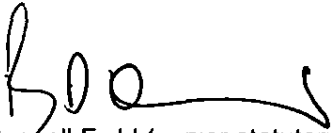
PRESTBURY WENTWORTH INTERMEDIATE LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRESTBURY WENTWORTH
INTERMEDIATE 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, 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



Russell Field (senior statutory auditor)

for and on behalf of
BDO LLP

Statutory auditor

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

2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

28 February 2014



PRESTBURY WENTWORTH INTERMEDIATE LIMITED
REGISTERED NUMBER: 04914723

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2013

The company has not traded during the year or the preceding financial year. During these periods, the company received no income and incurred no expenditure and therefore made neither profit or loss.

BALANCE SHEET
AS AT 31 MAY 2013

	Note	2013 £	2012 £
NET ASSETS		-	-
CAPITAL AND RESERVES			
Called up share capital	5	15,424,858	15,424,858
Profit and loss account		(15,424,858)	(15,424,858)
SHAREHOLDERS' FUNDS	6	-	-

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 February 2014.



S L Gumm
Director

The notes on pages 7 to 9 form part of these financial statements.

PRESTBURY WENTWORTH INTERMEDIATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2013

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

These financial statements have been prepared on a going concern basis, which assumes that the company will continue to meet its liabilities when they fall due, for the foreseeable future. The directors have prepared cash flow forecasts which indicate, subject to the matters noted below, that the company can continue as a going concern.

The company is a member of the group headed by Prestbury Wentworth Holdings Limited ("the group"). As at 31 May 2013, the balance of the group's secured loans drawn down under its credit facilities ("the facilities") was £491,377,714. Following a 12 month extension granted as part of a loan restructuring finalised in October 2013, the facilities, which are secured on the assets of the group including all of its investment properties, are due to expire in October 2014. In order to continue as a going concern for the foreseeable future, the group is in constructive discussions with its lender to refinance or restructure the remaining balance due under the facilities.

Since the time of the loan extension, 147 of the group's 211 investment properties have been sold, achieving net proceeds of £219.1 million against book value of £252.6 million. One further property has conditionally exchanged for sale and is due to complete by the end of February for net proceeds of £849k against book value of £1.1 million. £170.6 million of the proceeds have been applied in debt repayment and other payments to secured lenders. In addition £47.7 million was utilised, firstly to break the group's interest rate swap to match the swap notional to the loan amount, and secondly to reduce the fixed rate for the remainder of the swap.

The remainder of the portfolio consists of 63 pubs with a book value of £179.6 million, against a balance of £321.9 million remaining on the secured bank loans. A strategy for the sale of these units is currently being investigated.

While the directors have a reasonable expectation that suitable refinancing arrangements or sales can be satisfactorily concluded by October 2014, there are, as yet, no binding agreements in place in this regard. The directors continue to monitor closely with the one remaining lender the progress and results of the asset disposal programme and are in constructive discussions about refinancing prospects for the portfolio. The lender has provided a letter of comfort stating that it is not their present intention to demand repayment of amounts outstanding under the facility agreement, should disposal proceeds be insufficient to discharge the debt in full, and that an extension of the loan term may be considered at maturity. As a result the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group. The consolidated financial statements of Prestbury Wentworth Holdings Limited, within which this company is included, can be obtained from the address given in note 8.

PRESTBURY WENTWORTH INTERMEDIATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013

1. ACCOUNTING POLICIES (continued)

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Investments

Investments held as fixed assets are shown at cost less provision for impairment

2. AUDITORS' REMUNERATION

The auditors' remuneration is borne by a fellow group company Fees for the audit of the company were £750 (2012 £750)

3. FIXED ASSET INVESTMENTS

	Investments in subsidiary undertakings £
Cost	
At 1 June 2012 and 31 May 2013	15,424,858
Provision	
At 1 June 2012 and 31 May 2013	15,424,858
Net book value	
At 31 May 2013	-
At 31 May 2012	-

The provisions against subsidiary undertakings reflect the underlying financial position of the subsidiary undertakings at 31 May 2013

4. PRINCIPAL SUBSIDIARIES

The following company was a subsidiary undertaking at the end of the year

Company name	Country of incorporation	Percentage Shareholding	Nature of business
Prestbury Wentworth Portfolio Limited	England	100	Intermediate holding company

The above company owns 100% of the issued share capital of of ten property investment companies that are also incorporated in England and Wales

The undertaking listed above operates in the United Kingdom

PRESTBURY WENTWORTH INTERMEDIATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013**

5. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
15,424,858 ordinary shares of £1 each	<u>15,424,858</u>	<u>15,424,858</u>

6. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Shareholders' funds at 1 June 2012 and 31 May 2013	<u>-</u>	<u>-</u>

7. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available to wholly owned subsidiary undertakings under Financial Reporting Standard 8, "Related Party Transactions", not to disclose details of any transactions with entities that are included in the consolidated financial statements of Prestbury Wentworth Holdings Limited

8. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent company is Prestbury Wentworth Acquisitions Limited. The company's ultimate parent company is Prestbury Wentworth Holdings Limited. Prestbury Wentworth Holdings Limited is a joint venture company incorporated in England and Wales and is not controlled by any one entity or individual. The consolidated accounts of this company are available to the public and may be obtained from the company secretary, Cavendish House, 18 Cavendish Square, London W1G 0PJ.

9. CONTINGENT LIABILITIES

The company, along with the other subsidiaries of the ultimate parent company, has entered into an agreement with the bankers of a fellow subsidiary company to cross-guarantee the bank loans made to that company. At 31 May 2013 these bank loans amounted to £491,377,714 (2012 £495,442,646).