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Financial statements for the year ended 31
December 2015

Acorn Pub Management Services Limited

MONDAY



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COMPANIES HOUSE

ACORN PUB MANAGEMENT SERVICES LIMITED

Company Registration No. 01492483

COMPANY INFORMATION

Directors

J J Raggett
V O'Hana

Company Secretary

S Royce

Company registration number

01492483

Registered office

35 Charles Street
London
W1J 5EB

Auditor

Mazars LLP
Chartered Accountants and
Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

ACORN PUB MANAGEMENT SERVICES LIMITED

Company Registration No. 01492483

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2015

The Directors present their report and the audited financial statements of the company for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was hotel operations and management. The company operates a 4 star hotel in Dorset.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The company saw an increase in its revenue of 10.2% for 2015 (2014: increase of 6.6%) and the EBITDA for the year increased by £13,562 to a loss of £74,588 (2014: £88,150 loss). The loss before tax has increased from £94,610 to £104,076.

In summary the key performance indicators that we use to monitor business performance are as follows:

EBITDA (Earnings before interest, taxation, depreciation and amortisation).

The company is currently in a net liability position with total liabilities exceeding total assets by £1,653,219 (2014: £1,577,205) and continues to be reliant on the support of its ultimate parent company.

We hope to improve on overall results in 2016.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £76,014 (2014: £66,899 loss). The directors have not recommended a dividend for the current year (2014: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The directors acknowledge that they have responsibility for the company's systems of internal control and risk management and for monitoring their effectiveness. The purposes of these systems are to manage, rather than eliminate, the risk of failure to achieve business objectives, to provide reasonable assurance as to the quality of management information and to maintain proper control over the income, expenditure, assets and liabilities of the company.

No system of control can, however, provide absolute assurance against material misstatement or loss. Accordingly, the directors have regard to what controls, in their judgement, are appropriate to the company's business and to the relative costs and benefits of implementing specific controls.

The main risks that the company could face relate to factors that are common to the hotel industry and beyond the company's control, such as the global economic downturn, changes in travel patterns or in the structure of the travel industry and the increase in acts of terrorism.

Acorn Pub Management Services Limited mitigate the risk of an economic downturn utilising financial support from The Travel Corporation. This allows them to manage short and medium term fluctuations in demand

Signed by order of the board of Directors on

16th Aug 2016


J J Raggett
Director

ACORN PUB MANAGEMENT SERVICES LIMITED

Company Registration No: 01492483

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2015

The Directors present their report and the audited financial statements of the company for the year ended 31 December 2015.

As permitted by paragraph 1A of Schedule 7 to the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the Strategic Report on page 1. These matters relate to the review and analysis of the business, development and financial performance, future prospects and the principal risks and uncertainties.

FINANCIAL INSTRUMENTS

Details of the company's financial risk management objectives and policies are included in note 12 to the accounts.

CREDITOR PAYMENT POLICY

The company's current policy concerning the payment of trade creditors is:

- settle the terms of payment with supplies when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contract; and
- pay in accordance with the company's contractual and other legal obligations.

DIRECTORS

The directors who served the company during the year and to the date of this report were as follows:

J J Raggett
V O'Hana

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

GOING CONCERN

Having made appropriate enquiries, the directors consider it reasonable to assume that the company has adequate resources to continue for the foreseeable future and, for this reason, have continued to adopt the going concern basis in preparing the financial statements.

POLITICAL CONTRIBUTIONS

The company made no political contributions during the financial year (2014: £nil).

DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

ACORN PUB MANAGEMENT SERVICES LIMITED

Company Registration No: 01492483

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2015

AUDITOR

It is proposed that Mazars LLP will continue in office in accordance with the Companies Act 2006 Section 487(2).

Signed by order of the board of directors


J J Raggett
Director

Date:

16th May 2016

ACORN PUB MANAGEMENT SERVICES LIMITED

Company Registration No. 01492483

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

The directors are responsible for preparing the Strategic Report, 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 International Financial Reporting Standards ("IFRS") as adopted by the European Union 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 IFRS as adopted by the European Union have been followed subject to any material departures disclosed and explained in the financial statements
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- 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.

ACORN PUB MANAGEMENT SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACORN PUB MANAGEMENT SERVICES LIMITED

YEAR ENDED 31 DECEMBER 2015

We have audited the financial statements of Acorn Pub Management Services Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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. 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.

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 web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

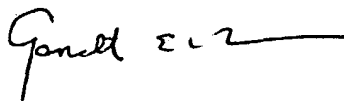
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ACORN PUB MANAGEMENT SERVICES LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ACORN PUB MANAGEMENT SERVICES LIMITED (continued)****YEAR ENDED 31 DECEMBER 2015**

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.



Gareth Jones (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

Tower Bridge House
St Katharine's Way
London
E1W 1DD

Date: 17/5/16

ACORN PUB MANAGEMENT SERVICES LIMITED

Company Registration No: 01492483

STATEMENT OF COMPREHENSIVE INCOME**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Revenue	2	726,213	659,037
Cost of sales		(627,622)	(554,513)
Gross profit		98,591	104,524
Administrative expenses		(202,667)	(199,134)
Loss before taxation	3	(104,076)	(94,610)
Taxation credit	5	28,062	27,711
Loss for the year		(76,014)	(66,899)
Total comprehensive loss for the year attributable to equity holders		(76,014)	(66,899)

The notes on pages 11 to 21 form part of these financial statements.

All results relate to continuing operations.

ACORN PUB MANAGEMENT SERVICES LIMITED

Company Registration No. 01492483

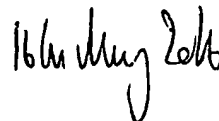
STATEMENT OF FINANCIAL POSITION**AT 31 DECEMBER 2015**

	Note	2015 £	2014 £
Non-current assets			
Property, plant and equipment	6	-	-
Current assets			
Inventories	7	14,390	17,888
Trade and other receivables	8	12,801	12,250
Cash and cash equivalents	9	560	560
		<u>27,751</u>	<u>30,698</u>
Total assets		<u>27,751</u>	<u>30,698</u>
Current liabilities			
Amounts due to related parties	10	1,658,332	1,584,451
Other payables	11	22,638	23,452
		<u>1,680,970</u>	<u>1,607,903</u>
Total liabilities		<u>1,680,970</u>	<u>1,607,903</u>
Equity			
Share capital	15	2	2
Reserves		<u>(1,653,221)</u>	<u>(1,577,207)</u>
Total equity		<u>(1,653,219)</u>	<u>(1,577,205)</u>
Total liabilities and equity		<u>27,751</u>	<u>30,698</u>

The notes on pages 11 to 21 form part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on and are signed on their behalf by:


J J Raggett
Director


16th May 2016

ACORN PUB MANAGEMENT SERVICES LIMITED**Company Registration No. 01492483****STATEMENT OF CHANGES IN EQUITY****YEAR ENDED 31 DECEMBER 2015**

	Share capital £	Reserves £	Total £
At 1 January 2014	2	(1,510,308)	(1,510,306)
Total comprehensive income for the year	-	(66,899)	(66,899)
At 1 January 2015	2	(1,577,207)	(1,577,205)
Total comprehensive income for the year	-	(76,014)	(76,014)
At 31 December 2015	2	(1,653,221)	(1,653,219)

The notes on pages 11 to 21 form part of these financial statements.

ACORN PUB MANAGEMENT SERVICES LIMITED

Company Registration No. 01492483

STATEMENT OF CASH FLOWS**YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Cash flows from operating activities			
Loss after taxation		(76,014)	(66,899)
<i>Adjustments for:</i>			
Impairment of property, plant and equipment	6	29,488	6,460
Taxation	5	(28,062)	(27,711)
		<u>(74,588)</u>	<u>(88,150)</u>
Loss from operations before changes in working capital			
Increase/(decrease) in inventories		3,498	(2,931)
(Increase)/decrease in trade and other receivables		(551)	444
(Decrease)/increase in other payables		(814)	3,826
		<u>(72,455)</u>	<u>(86,811)</u>
Cash used in operations			
Tax received		28,062	27,711
		<u>(44,393)</u>	<u>(59,100)</u>
Net cash used in operating activities			
Cash flows used in investing activities			
Purchase of property, plant and equipment	6	(29,488)	(6,460)
		<u>(29,488)</u>	<u>(6,460)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Increase in amounts due to related parties		73,881	65,560
		<u>73,881</u>	<u>65,560</u>
Net cash from financing activities			
Net movement in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		560	560
		<u>560</u>	<u>560</u>
Cash and cash equivalents at 31 December	9		
		<u>560</u>	<u>560</u>

ACORN PUB MANAGEMENT SERVICES LIMITED

Company Registration No. 01492483

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

General information

Acorn Pub Management Services Limited is a company incorporated and domiciled in the United Kingdom. The address of the registered office in the United Kingdom is stated on the company information page and the nature of the company's operations and principal activities are stated in the Strategic Report. The financial statements have been presented in Pounds Sterling as this is the currency of the primary economic environment that the company operates in.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. These financial statements have been prepared under historical cost convention. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Revenue recognition

Revenue is recognised from the sale of goods and services from the company's ordinary activities.

Revenue is recognised from the sale of services when the amount can be measured reliably and is stated after trade discounts and other sales taxes, and is net of VAT.

Property, plant and equipment

Items of property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 10% straight line
Equipment	- 20% straight line

Impairment of fixed assets

Fixed assets are impaired when directors believe that the carrying amount of an asset exceeds the recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income.

Inventories

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the statement of comprehensive income on an accruals basis.

ACORN PUB MANAGEMENT SERVICES LIMITED

Company Registration No: 01492483

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Financial instruments

Financial assets and financial liabilities are recognised on the company statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Financial assets

The company's financial assets include cash and cash equivalents and trade and other receivables. All financial assets are initially recognised at fair value plus transaction costs, when the company becomes party to the contractual provisions of the instrument.

Interest and other cash flows resulting from holding financial assets are recognised in the statement of comprehensive income using the effective interest method.

ACORN PUB MANAGEMENT SERVICES LIMITED

Company Registration No: 01492483

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Provision for impairment of trade, loan receivables and other receivables is made when objective evidence is received that the company will not be able to collect all amounts due to it in accordance with the original terms of the receivable. The amount of the impairment is determined as the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Any change in their value through impairment or reversal of impairment is recognised in the statement of comprehensive income.

A financial asset is derecognised if the contractual rights to receive the cash flows of the asset have been transferred or the company retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the group transfers substantially all the risks and rewards of ownership of the asset.

Financial liabilities

The company's financial liabilities include related party loans, trade and other payables and liabilities at fair value through profit and loss. Financial liabilities are recognised when the company becomes a party to the contractual agreement of the instrument. All interest related charges are recognised as an expense in finance costs in the statement of comprehensive income using the effective interest method.

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the statement of comprehensive income when liabilities are derecognised or impaired, as well as through the amortisation process.

Classification as equity or financial liability

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future.

ACORN PUB MANAGEMENT SERVICES LIMITED

Company Registration No. 01492483

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

Going concern (continued)

As shown in the accompanying financial statements, the company's total liabilities exceed its total assets by £1,653,219 at 31 December 2015. The company's ultimate parent has represented that it will continue to provide ongoing financial support to enable the company to meet its financial obligations and that the company will not be required to pay obligations owed to any group entities while its liabilities exceed its assets. The ability of the company to continue as a going concern is dependent on this ongoing financial support and based on this they continue to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements do not include any adjustments that might be necessary if the company is unable to continue as a going concern.

New standards, interpretations and amendments effective from 1 January 2015

None of the new standards, interpretations and amendments effective for the first time from 1 January 2015, have had a material effect on the financial statements.

New standards and interpretations not yet applied (potentially relevant to the company)

IAS 1 – Presentation of Financial Statements - Amendments resulting from the disclosure initiative – *Effective for annual periods beginning on or after 1 January 2016*

IAS 7 – Statement of Cash Flows - Amendments resulting from the disclosure initiative – *Effective for annual periods beginning on or after 1 January 2017*

IAS 12 – Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses – *Effective for annual periods beginning on or after 1 January 2017*

IAS 16 - Financial instruments – Property, Plant and Equipment – Clarification of acceptable methods of depreciation and amortisation – *Effective for annual periods beginning on or after 1 January 2016*

IAS 19 - Employee Benefits - Amendments resulting from September 2014 Annual Improvements to IFRSs – *Effective for annual periods beginning on or after 1 January 2016*

IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from September 2014 Annual Improvements to IFRSs – *Effective for annual periods beginning on or after 1 January 2016*

IFRS 7 – Financial Instruments: Disclosures - Amendments resulting from September 2014 Annual Improvements to IFRSs – *Effective for annual periods beginning on or after 1 January 2016*

IFRS 9 – Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition – *Effective for annual periods beginning on or after 1 January 2018*

ACORN PUB MANAGEMENT SERVICES LIMITED

Company Registration No: 01492483

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

Critical accounting judgements and sources of estimate uncertainty

The company's significant accounting policies are outlined in note 1 to the financial statements. The company Directors are required to conclude annually that the residual value of the property held exceeds the carrying value in the statement of financial position therefore eliminating the requirement for it to be depreciated. None of the other significant accounting policies require the Directors to make difficult, subjective or complex judgements or estimates.

2. REVENUE

All revenue is generated in the UK from the company's principal activity.

3. LOSS BEFORE TAXATION

Operating loss for the year is stated after charging:	2015	2014
	£	£
Impairment of owned fixed assets	29,488	6,460
Auditor's remuneration - as auditor	5,717	5,717
- taxation services	850	850
- other services	325	325
Operating lease costs - land and buildings	25,000	25,000

4. STAFF NUMBERS AND COSTS

The average number of persons employed by the company during the financial year amounted to:

	2015	2014
	Number	Number
Management staff	3	3
Other staff – services	13	12
	16	15

The aggregate payroll costs of the above were:	2015	2014
	£	£
Wages and salaries	307,338	285,624
Social security costs	22,341	22,256
	329,679	307,880

No salaries or wages have been paid to the directors in the current or prior year and no contributions were made to a pension on behalf of a director (2014: £nil).

ACORN PUB MANAGEMENT SERVICES LIMITED

Company Registration No: 01492483

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

5. TAXATION

(a) Analysis of credit in the year

	2015 £	2014 £
Current tax:		
Adjustment in respect of prior years	28,062	27,711
	<u>28,062</u>	<u>27,711</u>

(b) Factors affecting current tax credit

The tax assessed on the loss for the year varies from the effective rate of corporation tax in the UK of 20.25% (2014: 21.49%).

	2015 £	2014 £
Loss before taxation	(104,076)	(94,609)
Loss at effective rate of 20.25% (2014: 21.49%)	(21,072)	(20,334)
Depreciation in excess of capital allowances claimed	1,228	1,732
Expenses not deductible for tax purposes	191	-
Unrelieved tax losses arising in the period	-	18,602
Adjustment in respect of prior years	(8,409)	(27,711)
Total current tax credit (note 5(a))	<u>(28,062)</u>	<u>(27,711)</u>

(c) Factors that may affect future tax charges

No provision has been made for the deferred tax asset of £79,291 calculated at 18% (2014: £94,803 calculated at 20%) arising from depreciation and impairment of equipment, fixtures and fittings in excess of taxation allowances and losses available because the timing of profits is uncertain.

The claim for taxation allowances and the recoverability of the deferred tax asset is dependent on the availability of sufficient future taxable profits of the company against which unused taxation allowances can be utilised. In such circumstances the company recognises that, at the statement of financial position date, it may not be appropriate to provide for the deferred tax asset.

ACORN PUB MANAGEMENT SERVICES LIMITED

Company Registration No. 01492483

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2015**

6. PROPERTY, PLANT AND EQUIPMENT	Fixtures & fittings £	Equipment £	Total £
Cost			
At 1 January 2014	538,026	5,748	543,774
Additions	6,460	-	6,460
Disposals	(320,475)	-	(320,475)
At 31 December 2014	224,011	5,748	229,759
Additions	29,119	369	29,488
Disposals	(39,135)	-	(39,135)
At 31 December 2015	213,995	6,117	220,112
Depreciation and impairment			
At 1 January 2014.	538,026	5,748	543,774
Impairment charge	6,460	-	6,460
Eliminated on disposal	(320,475)	-	(320,475)
At 31 December 2014	224,011	5,748	229,759
Impairment	-	-	-
Charge for the year	29,119	369	29,488
Eliminated on disposal	(39,135)	-	(39,135)
At 31 December 2015	213,995	6,117	220,112
Net book value			
At 1 January 2014	-	-	-
At 31 December 2014	-	-	-
At 31 December 2015	-	-	-
Impairment provision included in Depreciation and impairment:			
At 1 January 2014	463,871	-	463,871
Charge for the year	6,460	-	6,460
At 31 December 2014	470,331	-	470,331
Charge for the year	29,488	-	29,488
At 31 December 2015	499,819	-	499,819

ACORN PUB MANAGEMENT SERVICES LIMITED**Company Registration No. 01492483****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2015**

7. INVENTORIES	2015	2014
	£	£
Goods for resale	14,390	17,888

8. TRADE AND OTHER RECEIVABLES	2015	2014
	£	£
Trade receivables	3,489	3,672
Prepayments and accrued income	9,312	8,578
	12,801	12,250

There is no provision for impairment of trade receivables as the directors believe all balances to be recoverable. The average credit period taken on services provided is 28 days.

At year end all debtor balances were current.

9. CASH AND CASH EQUIVALENTS	2015	2014
	£	£
Cash floats	560	560

Cash floats bear interest at an effective rate of 0.00% (2014: 0.00%).

10. AMOUNTS DUE TO RELATED PARTIES	2015	2014
	£	£
Due in greater than one year		
Amounts owed to related parties (note 14)	1,658,332	1,584,451

11. OTHER PAYABLES	2015	2014
	£	£
Accruals	22,638	23,452

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company holds or issues financial instruments in order to achieve three main objectives, as follows:

- a) to finance its operations;
- b) to manage its exposure to interest risk from its operations and from its sources of finance; and
- c) for trading purposes.

In addition, various financial instruments (e.g. trade receivables and trade payables) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Credit risk

The company has no significant concentrations of credit risk. Amounts shown in the statement of financial position best represent the maximum credit risk exposure in the event of other parties failing to perform their obligations under financial instruments.

The company monitors credit risk closely and considers that its current policies of credit checks meet its objectives of managing exposure to credit risk.

The ultimate parent entity confirms that group liabilities will not be demanded whilst the company's liabilities exceed its assets. Repayments of related party balances are not expected within five years

Liquidity risk

The company at all times maintains adequate committed credit facilities in order to meet all its commitments as and when they fall due. Long term borrowing, where it exists, is funded from within The Travel Corporation group. The Travel Corporation Limited has guaranteed to provide any future funding requirements of the company to enable it to meet its liabilities as they fall due.

Unless disclosed, related party loans do not bear interest and the directors are of the opinion that the carrying value is not materially different from the fair value.

Interest rate risk

The company is exclusively funded by related party borrowings.

The fair values of loans from related parties have been determined by discounting cash flow projections at rates of interest having regard to the specific risks attached to them.

Interest rate sensitivity analysis

Interest rate sensitivity analysis has been determined based on the exposure to interest rates for non-derivative instruments at the statement of financial position date. Based on the above assumptions if interest rates had been 0.5% higher/lower and all other variables were held constant, the directors have concluded that there would not be a material impact on the financial statements.

Foreign exchange risk

The company operates exclusively within the UK and is not directly exposed to foreign exchange risk. Hedging instruments are therefore not used and there would be no financial impact of a change in the exchange rates.

ACORN PUB MANAGEMENT SERVICES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital risk management

The company aims to manage its overall capital so as to ensure the company continues to operate as a going concern, whilst providing an adequate return to shareholders.

The company's capital structure represents the equity attributable to the shareholders of the company together with borrowings and cash and cash equivalents.

13. COMMITMENTS UNDER OPERATING LEASES

The company has entered into operating leases in respect of properties. The total of future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings	
	2015	2014
	£	£
Expiry date:		
Not later than one year	25,000	25,000
Within two to five years	25,000	50,000
	<u>50,000</u>	<u>75,000</u>

14. RELATED PARTY TRANSACTIONS

During the year the company provided services to related parties as follows:

		2015	2014
		£	£
Red Carnation Hotels (U.K.) Limited	Management charges	65,310	65,477
Time Out Holidays Limited	Rent	25,000	25,000
		<u>90,310</u>	<u>90,477</u>

Amounts owed to related parties which are unsecured and repayable on demand:

	2015	2014
	£	£
Summer Lodge Management Limited	1,658,332	1,584,451
	<u>1,658,332</u>	<u>1,584,451</u>

ACORN PUB MANAGEMENT SERVICES LIMITED

Company Registration No. 01492483

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

15. SHARE CAPITAL

	2015		2014	
	Number	£	Number	£
Allotted, called up and fully paid				
Ordinary shares of £1 each	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
	2015		2014	
	Number	£	Number	£
Equity shares				
Ordinary shares of £1 each	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

16. CONTROLLING PARTY AND PARENT COMPANIES

The company's ultimate parent undertaking is The Travel Corporation Limited, a company incorporated in the British Virgin Islands. The Travel Corporation Limited is considered to be the company's controlling party.

The largest group in which the results of the company are consolidated is that headed by The Travel Corporation Limited, a company incorporated in the British Virgin Islands. The smallest group in which they are consolidated is that headed by Mountbatten Limited, a company registered in the British Virgin Islands.

The financial statements of the above companies are not available to the public.

ACORN PUB MANAGEMENT SERVICES LIMITED

Company Registration No. 01492483

DETAILED STATEMENT OF COMPREHENSIVE INCOME**YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	£	£
Revenue	726,213	659,037
Cost of sales		
Opening inventories	17,888	14,957
Purchases	166,928	105,622
Direct costs	130,486	159,699
Direct wages	223,296	202,902
National Insurance contributions on director labour	14,633	14,644
Pension contributions	4,208	12,902
Rates	21,605	23,928
Insurance	8,480	6,287
Rent	25,000	25,000
Impairment of fixed assets	29,488	6,460
	642,012	572,401
Closing inventories	(14,390)	(17,888)
	(627,622)	(554,513)
Gross profit	98,591	104,524
Overheads		
Administrative expenses	(202,667)	(199,134)
Loss before taxation	(104,076)	(94,610)

ACORN PUB MANAGEMENT SERVICES LIMITED

Company Registration No. 01492483

NOTES TO THE DETAILED STATEMENT OF COMPREHENSIVE INCOME**YEAR ENDED 31 DECEMBER 2015**

	2015		2014	
	£	£	£	£
Administrative expenses				
Personnel costs				
Wages and salaries	84,042		82,722	
Staff national insurance contributions	7,708		7,612	
	<u> </u>		<u> </u>	
		91,750		90,334
General expenses				
Telephone	1,124		928	
Hire of equipment	1,759		1,892	
Printing, stationery and postage	910		790	
Staff welfare	18,747		17,147	
Advertising and promotion	-		-	
Entertaining	8,029		9,567	
Management charges payable	65,310		65,477	
Auditors' remuneration and professional fees	6,228		4,859	
	<u> </u>		<u> </u>	
		102,107		100,660
Financial costs				
Credit card commission	8,447		7,983	
Bank charges	363		157	
	<u> </u>		<u> </u>	
		8,810		8,140
		<u>202,667</u>		<u>199,134</u>