

Registered number: 01933151

**Burton Inns Limited**

Directors' report and financial statements

For the Year Ended 31 December 2015



**DAINS**  
ACCOUNTANTS

**Burton Inns Limited**  
**Company Information**

---

**Directors**

R F Kerry  
A A Gentles  
R Kerry  
J Kerry

**Company secretary**

M Gentles

**Registered number**

01933151

**Registered office**

c/o Branston Golf and Country Club Limited  
Burton Road  
Branston  
Burton on Trent  
Staffordshire  
DE14 3DP

**Independent auditors**

Dains LLP  
15 Colmore Row  
Birmingham  
B3 2BH

**Burton Inns Limited****Contents**

---

	Page
<b>Group strategic report</b>	<b>1</b>
<b>Directors' report</b>	<b>2 - 3</b>
<b>Independent auditors' report</b>	<b>4 - 5</b>
<b>Consolidated profit and loss account</b>	<b>6</b>
<b>Consolidated statement of comprehensive income</b>	<b>7</b>
<b>Consolidated balance sheet</b>	<b>8</b>
<b>Company balance sheet</b>	<b>9</b>
<b>Consolidated statement of changes in equity</b>	<b>10</b>
<b>Company statement of changes in equity</b>	<b>11</b>
<b>Consolidated Statement of cash flows</b>	<b>12</b>
<b>Notes to the financial statements</b>	<b>13 - 31</b>

## Burton Inns Limited

### Group strategic report

For the Year Ended 31 December 2015

---

#### Introduction

The principal activity of the company in the year under review was that of a management and holding company.

The principal activity of the group in the year under review was that of a private golf club, incorporating health and leisure facilities.

Burton Inns Limited is the parent company of Branston Golf and Country Club Limited and its business review for the year is as follows.

#### Business review

Despite the general economic climate, the directors are pleased to announce that the group has ended its financial year with increased revenues and generated a profit for the year, with operating profit improving by over £220,000. Membership numbers are much improved across the board which has contributed to the increase in direct subscription revenue being generated but also adding to increased revenues from food and beverage sales within the club.

Management continue to reinvest in the business and strive to ensure that members have the best facilities available to them leading to the challenge of managing the costs, but the directors firmly believe that these extra costs incurred now are vital for the ongoing success of the group and continue with their strategy on this basis.

The group has absorbed the impact of National Living Wage and Auto Enrolment and now enjoys the benefit of increased membership revenues and a healthy pipeline of business at The Pavilion. We can therefore confidently predict that the improved trends seen over the past three years are set to continue.

#### Financial key performance indicators

The directors regard key performance indicators as turnover and contribution from each division within the business and are pleased with the performance of the business when compared against these indicators.

#### Principal risks and uncertainties

The main risks and uncertainties of the group are liquidity risk, interest rate risk and general economic conditions. Despite the loss incurred during the year the cash position remains to be managed well. Management closely monitor recoverability of debtors and collection of membership subscriptions to mitigate exposure to credit risk. The board also maintain a mixture of both short and long term debt to spread exposure of any cash flow and interest rate risk.

The board are optimistic and confident for the future of the group and look forward to further developments with a view of improving the trading position. The board acknowledge the loyal client base and would like to thank them for their support given during the year, but also thank the shareholders and staff for their continued hard work to help develop and grow the business further and sincerely look forward to the years ahead.

Post year-end, the group has attracted additional investment, boosting the company's balance sheet and cash position. This is due in part to the improving trends in the business and the work undertaken in improving facilities to members and reducing the threat to revenues caused by historic flood risk.

This report was approved by the board on 30 September 2016 and signed on its behalf.

  
R F Kerry  
Director

## **Burton Inns Limited**

### **Directors' report**

**For the Year Ended 31 December 2015**

---

The directors present their report and the financial statements for the year ended 31 December 2015.

#### **Results and dividends**

The profit for the year, after taxation and minority interests, amounted to £54,555 (2014 - loss £133,121).

No dividends were paid or proposed during the year (2014 - £nil).

#### **Directors**

The directors who served during the year were:

R F Kerry  
A A Gentles  
R Kerry  
J Kerry

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Group 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group 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 for the Group financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Burton Inns Limited**

**Directors' report**

**For the Year Ended 31 December 2015**

---

**Future developments and events after the balance sheet date**

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report and form part of this report by cross reference.

**Disclosure 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 and the Group'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 relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

**Auditors**

The auditors, Dains LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 September 2016 and signed on its behalf.

  
\_\_\_\_\_  
**R F Kerry**  
Director

We have audited the financial statements of Burton Inns Limited for the year ended 31 December 2015, set out on pages 6 to 31. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 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 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 Financial Reporting Council'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 Group strategic report and the Directors' 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 31 December 2015 and of the Group's profit 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

**Burton Inns Limited**

**Independent auditors' report to the members of Burton Inns 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.



Julian Townsend ACA FCCA (Senior statutory auditor)

for and on behalf of  
**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham

Date:

30 September 2016

**Burton Inns Limited****Consolidated profit and loss account  
For the Year Ended 31 December 2015**

		2015 £	2014 £
Turnover	3	3,643,013	3,394,550
Cost of sales		(670,919)	(638,347)
<b>Gross profit</b>		<b>2,972,094</b>	<b>2,756,203</b>
Administrative expenses		(2,839,706)	(2,893,106)
Other operating income	4	21,936	25,102
<b>Operating profit/(loss)</b>	5	<b>154,324</b>	<b>(111,801)</b>
Interest payable and expenses	8	(76,639)	(94,555)
<b>Profit/(loss) before tax</b>		<b>77,685</b>	<b>(206,356)</b>
Tax on profit/(loss)	9	(20,208)	17,827
<b>Profit/(loss) for the year</b>		<b>57,477</b>	<b>(188,529)</b>
<b>Profit/(loss) for the year attributable to:</b>			
Non-controlling interests		15,526	(55,408)
Owners of the parent		41,951	(133,121)
		<b>57,477</b>	<b>(188,529)</b>

The notes on pages 13 to 31 form part of these financial statements.

**Burton Inns Limited****Consolidated statement of comprehensive income  
For the Year Ended 31 December 2015**

---

	2015 £	2014 £
Profit for the financial year and total comprehensive income	<u>57,477</u>	<u>(188,529)</u>
<b>Profit for the year and total comprehensive income attributable to:</b>		
Non-controlling interest	15,526	(55,408)
Owners of the parent Company	<u>41,951</u>	<u>(133,121)</u>
	<u>57,477</u>	<u>(188,529)</u>

The notes on pages 13 to 31 form part of these financial statements.

**Burton Inns Limited**  
**Registered number: 01933151**

**Consolidated balance sheet**  
**As at 31 December 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	11	4,283,666	4,442,949
		<u>4,283,666</u>	<u>4,442,949</u>
<b>Current assets</b>			
Stocks	13	31,214	30,684
Debtors: amounts falling due within one year	14	196,674	174,383
Cash at bank and in hand	15	226,559	51,145
		<u>454,447</u>	<u>256,212</u>
Creditors: amounts falling due within one year	16	(1,736,366)	(1,512,227)
<b>Net current liabilities</b>		<u>(1,281,919)</u>	<u>(1,256,015)</u>
<b>Total assets less current liabilities</b>		<u>3,001,747</u>	<u>3,186,934</u>
Creditors: amounts falling due after more than one year	17	(1,710,954)	(1,969,439)
<b>Provisions for liabilities</b>			
Deferred taxation	21	(15,821)	-
		<u>(15,821)</u>	<u>-</u>
<b>Net assets</b>		<u>1,274,972</u>	<u>1,217,495</u>
<b>Capital and reserves</b>			
Called up share capital	22	95,000	95,000
Capital redemption reserve	23	420,000	420,000
Profit and loss account	23	431,962	390,011
<b>Equity attributable to owners of the parent Company</b>		<u>946,962</u>	<u>905,011</u>
Non-controlling Interests		328,010	312,484
		<u>1,274,972</u>	<u>1,217,495</u>

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

  
**R F Kerry**  
 Director

The notes on pages 13 to 31 form part of these financial statements.

Burton Inns Limited  
Registered number: 01933151

Company balance sheet  
As at 31 December 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Investments	12	330,397	330,397
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	14	770,632	770,632
Debtors due within 1 year		148,737	127,038
Cash at bank and in hand	15	4,052	12,551
		<u>923,421</u>	<u>910,221</u>
Creditors: amounts falling due within one year	16	(173,880)	(122,659)
<b>Net current assets</b>		<u>749,541</u>	<u>787,562</u>
<b>Total assets less current liabilities</b>		<u>1,079,938</u>	<u>1,117,959</u>
Creditors: amounts falling due after more than one year	17	(276,000)	(326,000)
<b>Net assets</b>		<u><u>803,938</u></u>	<u><u>791,959</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	95,000	95,000
Capital redemption reserve	23	420,000	420,000
Profit and loss account	23	288,938	276,959
		<u><u>803,938</u></u>	<u><u>791,959</u></u>

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

  
R F Kerry  
Director

30 September 2016

The notes on pages 13 to 31 form part of these financial statements.

**Burton Inns Limited**

**Consolidated statement of changes in equity  
For the Year Ended 31 December 2015**

	Share capital £	Capital redemption reserve £	Retained earnings £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 January 2015	95,000	420,000	390,011	905,011	312,484	1,217,495
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	41,951	41,951	15,526	57,477
<b>At 31 December 2015</b>	<b>95,000</b>	<b>420,000</b>	<b>431,962</b>	<b>946,962</b>	<b>328,010</b>	<b>1,274,972</b>

**Consolidated statement of changes in equity  
For the Year Ended 31 December 2014**

	Share capital £	Capital redemption reserve £	Retained earnings £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 January 2014	95,000	420,000	523,132	1,038,132	367,892	1,406,024
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	(133,121)	(133,121)	(55,408)	(188,529)
<b>At 31 December 2014</b>	<b>95,000</b>	<b>420,000</b>	<b>390,011</b>	<b>905,011</b>	<b>312,484</b>	<b>1,217,495</b>

The notes on pages 13 to 31 form part of these financial statements.

**Burton Inns Limited****Company statement of changes in equity  
For the Year Ended 31 December 2015**

---

	Share capital £	Capital redemption reserve £	Retained earnings £	Total equity £
At 1 January 2015	95,000	420,000	276,959	791,959
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	11,979	11,979
<b>At 31 December 2015</b>	<b>95,000</b>	<b>420,000</b>	<b>288,938</b>	<b>803,938</b>

---

**Company statement of changes in equity  
For the Year Ended 31 December 2014**

---

	Share capital £	Capital redemption reserve £	Retained earnings £	Total equity £
At 1 January 2014	95,000	420,000	308,082	823,082
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(31,123)	(31,123)
<b>At 31 December 2014</b>	<b>95,000</b>	<b>420,000</b>	<b>276,959</b>	<b>791,959</b>

---

The notes on pages 13 to 31 form part of these financial statements.

**Burton Inns Limited****Consolidated statement of cash flows  
For the Year Ended 31 December 2015**

	2015 £	2014 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	57,477	(188,529)
<b>Adjustments for:</b>		
Depreciation of tangible assets	276,078	292,467
Profit on disposal of tangible assets	(1,197)	-
Increase in stocks	(530)	(5,227)
Interest paid	76,639	94,556
Taxation	20,208	(17,827)
(Increase) / decrease in debtors	(22,291)	16,754
Increase in creditors	132,991	132,980
<b>Net cash generated from operating activities</b>	<b>539,375</b>	<b>325,174</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(65,766)	(98,417)
Sale of tangible fixed assets	1,197	298
HP interest paid	(18,591)	(20,434)
<b>Net cash from investing activities</b>	<b>(83,160)</b>	<b>(118,553)</b>
<b>Cash flows from financing activities</b>		
Repayment of bank and other loans	(137,067)	(6,884)
Repayment of/new finance leases	(85,686)	(93,372)
Interest paid	(58,048)	(74,122)
<b>Net cash used in financing activities</b>	<b>(280,801)</b>	<b>(174,378)</b>
<b>Net increase in cash and cash equivalents</b>	<b>175,414</b>	<b>32,243</b>
Cash and cash equivalents at beginning of year	51,145	18,902
<b>Cash and cash equivalents at the end of year</b>	<b>226,559</b>	<b>51,145</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	226,559	51,145
	<b>226,559</b>	<b>51,145</b>

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 31.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

**1.2 Basis of consolidation**

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2015. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

**1.3 Going concern**

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements, which show that the company is able to meet its debts as they fall due. As a result the directors have continued to prepare the financial statements on a going concern basis.

**1. Accounting policies (continued)**

**1.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

**1.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided on the following basis:

Freehold land	- No depreciation charged
Long leasehold and course development	- 1% - 20% straight line
Plant and equipment	- 20% - 33% straight line
Clubhouse fixtures and fittings	- 20% - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

**1. Accounting policies (continued)**

**1.6 Operating leases: Lessee**

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

**1.7 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

**1.8 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**1.9 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**1.10 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**1.11 Financial instruments**

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

**1. Accounting policies (continued)**

**1.12 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**1.13 Finance costs**

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**1.14 Leased assets: Lessee**

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

**1.15 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

**1.16 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**1. Accounting policies (continued)**

**1.17 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Directors believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below.

***Deferred Income***

Income is generated from membership fees that are paid in advance of annual membership. Depending upon the time the membership is created, there would be an element of deferred income generated.

***Depreciation and residual values***

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of plant and machinery, and have concluded that asset lives and residual values are appropriate.

**3. Analysis of turnover**

The whole of the turnover is attributable to the principal activity of the group.

All turnover arose within the United Kingdom.

**Burton Inns Limited****Notes to the financial statements  
For the Year Ended 31 December 2015****4. Other operating income**

	2015 £	2014 £
Net rents receivable	21,936	25,102
	<u>21,936</u>	<u>25,102</u>

**5. Operating profit/(loss)**

The operating profit/(loss) is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	276,078	292,467
Operating lease rentals:		
- other operating leases	79,549	69,597
(Profit)/loss on sale of tangible assets	(1,197)	298
Fees payable to the Group's auditor for the audit of the company's annual financial statements	10,150	9,000
Defined contribution pension cost	24,576	23,120
	<u>24,576</u>	<u>23,120</u>

Auditor fees for the company were £2,000 (2014 - £2,000).

**6. Employees**

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	1,428,127	1,372,740
Social security costs	88,828	97,613
Cost of defined contribution scheme	24,576	23,120
	<u>1,541,531</u>	<u>1,493,473</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
Management, administration and services	22	24
Golf, leisure and catering	95	95
	<u>117</u>	<u>119</u>

**Burton Inns Limited****Notes to the financial statements  
For the Year Ended 31 December 2015****7. Directors' remuneration**

	2015 £	2014 £
Directors' emoluments	49,375	42,453

**8. Interest payable and similar charges**

	2015 £	2014 £
Bank interest payable	56,596	60,269
Other loan interest payable	1,452	13,852
Finance leases and hire purchase contracts	18,591	20,434
	76,639	94,555

**9. Taxation**

	2015 £	2014 £
<b>Corporation tax</b>		
Current tax on profits for the year	4,387	-
<b>Total current tax</b>	4,387	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	15,821	(17,827)
<b>Total deferred tax</b>	15,821	(17,827)
<b>Taxation on profit/(loss) on ordinary activities</b>	20,208	(17,827)

**Burton Inns Limited****Notes to the financial statements  
For the Year Ended 31 December 2015****9. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20% (2014 - 21.49%). The differences are explained below:

	2015 £	2014 £
Profit/(loss) on ordinary activities before tax	<u>77,685</u>	<u>(206,356)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 21.49%)	<u>15,537</u>	<u>(44,346)</u>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,200	865
Fixed asset differences	22,430	-
Utilisation of tax losses	-	29,882
Adjustments to tax charge in respect of prior periods	(1,533)	-
Movement in deferred tax	(20,426)	(4,228)
<b>Total tax charge for the year</b>	<u><u>20,208</u></u>	<u><u>(17,827)</u></u>

**10. Parent Company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and loss account in these financial statements. The profit after tax of the parent Company for the year was £11,979 (2014 - loss £31,123).

**Burton Inns Limited**

**Notes to the financial statements  
For the Year Ended 31 December 2015**

**11. Tangible fixed assets**

**Group**

	Freehold land £	Long leasehold and course development £	Plant and equipment £	Clubhouse fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 January 2015	104,954	6,014,972	1,174,873	386,366	7,681,165
Additions	-	14,002	88,587	14,205	116,794
Disposals	-	-	(8,399)	-	(8,399)
At 31 December 2015	104,954	6,028,974	1,255,061	400,571	7,789,560
<b>Depreciation</b>					
At 1 January 2015	-	2,194,699	724,343	319,174	3,238,216
Charge for the period	-	140,432	117,631	18,015	276,078
Disposals	-	-	(8,399)	-	(8,399)
At 31 December 2015	-	2,335,131	833,575	337,189	3,505,895
<b>Net book value</b>					
At 31 December 2015	104,954	3,693,843	421,486	63,382	4,283,665
At 31 December 2014	104,954	3,820,273	450,530	67,192	4,442,949

Freehold land at cost of £104,954 (2014 - £104,954) is not depreciated.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2015 £	2014 £
Plant and equipment	215,984	259,097
Clubhouse fixtures and fittings	5,020	5,977
	<b>221,004</b>	<b>265,074</b>

**Burton Inns Limited****Notes to the financial statements  
For the Year Ended 31 December 2015****12. Fixed asset investments****Company****Investments  
in  
subsidiary  
companies  
£****Cost or valuation**

At 1 January 2015

**330,397**

At 31 December 2015

**330,397****Net book value**

At 31 December 2015

**330,397**

At 31 December 2014

**330,397****13. Stocks**

	<b>Group 2015 £</b>	<b>Group 2014 £</b>	<b>Company 2015 £</b>	<b>Company 2014 £</b>
Finished goods and goods for resale	<b>31,214</b>	30,684	-	-

**Burton Inns Limited**

**Notes to the financial statements  
For the Year Ended 31 December 2015**

**14. Debtors**

	<b>Group 2015 £</b>	<b>Group 2014 £</b>	<b>Company 2015 £</b>	<b>Company 2014 £</b>
<b>Due within one year</b>				
Trade debtors	62,648	66,993	-	-
Amounts owed by group undertakings	-	-	136,724	120,086
Other debtors	14,463	7,969	12,013	6,952
Prepayments and accrued income	119,563	99,421	-	-
	<u>196,674</u>	<u>174,383</u>	<u>148,737</u>	<u>127,038</u>
	<b>Group 2015 £</b>	<b>Group 2014 £</b>	<b>Company 2015 £</b>	<b>Company 2014 £</b>
<b>Due after more than one year</b>				
Due from group companies	-	-	770,632	770,632
	<u>-</u>	<u>-</u>	<u>770,632</u>	<u>770,632</u>

**15. Cash and cash equivalents**

	<b>Group 2015 £</b>	<b>Group 2014 £</b>	<b>Company 2015 £</b>	<b>Company 2014 £</b>
Cash at bank and in hand	226,559	51,145	4,052	12,551
	<u>226,559</u>	<u>51,145</u>	<u>4,052</u>	<u>12,551</u>

**16. Creditors: Amounts falling due within one year**

	<b>Group 2015 £</b>	<b>Group 2014 £</b>	<b>Company 2015 £</b>	<b>Company 2014 £</b>
Bank loans	110,000	92,997	-	-
Other loans	409,083	348,125	125,000	75,000
Obligations under finance lease and hire purchase contracts	80,761	74,387	-	-
Corporation tax	4,387	-	-	-
Trade creditors	340,427	301,455	605	842
Taxation and social security	166,822	165,471	10,836	7,432
Other creditors	7,101	9,045	7,097	9,043
Accruals and deferred income	617,785	520,747	30,342	30,342
	<u>1,736,366</u>	<u>1,512,227</u>	<u>173,880</u>	<u>122,659</u>

**Burton Inns Limited****Notes to the financial statements  
For the Year Ended 31 December 2015****17. Creditors: Amounts falling due after more than one year**

	<b>Group 2015 £</b>	<b>Group 2014 £</b>	<b>Company 2015 £</b>	<b>Company 2014 £</b>
Bank loans	<b>1,369,049</b>	1,484,994	-	-
Other loans	<b>276,000</b>	375,083	<b>276,000</b>	326,000
Net obligations under finance leases and hire purchase contracts	<b>55,976</b>	97,008	-	-
Accruals and deferred income	<b>9,929</b>	12,354	-	-
	<b><u>1,710,954</u></b>	<b><u>1,969,439</u></b>	<b><u>276,000</u></b>	<b><u>326,000</u></b>

**Secured Loans**

The bank loan is repayable by instalments over a 15 year period and matures in 2027. The interest rate being charged is 3.1% above LIBOR. The bank loan and overdraft facility are secured over the freehold and leasehold land and buildings.

The loan from the East Staffordshire Borough Council is repayable in equal annual instalments. There is a five year repayment holiday which ceased in October 2013. Interest is charged at 2.5% above the bank's current base rate. The loan from the East Staffordshire Borough Council is secured by a debenture dated 13 July 2005.

The loan of £324,000 from its parent company Burton Inns Limited has no set repayment term. Interest is charged at 2.5% above the bank's current base rate. The loan of £246,632 from its parent company Burton Inns Limited has no set repayment term. Interest is charged at 1.75% above the bank's current base rate. The loan of £300,500 from its parent company Burton Inns Limited has no set repayment term. Interest is charged at 1.5% above the bank's current base rate on the initial £200,000 loaned and the remainder is interest free. Loans from the parent company are secured by a debenture and a mixture of fixed and floating charges the company's assets.

The loans from the shareholders are secured by way of a debenture and a mixture of fixed and floating charges over the assets of the company. Loans with directors are disclosed within related party transactions within these financial statements.

**Burton Inns Limited**

**Notes to the financial statements  
For the Year Ended 31 December 2015**

**18. Loans**

	<b>Group 2015 £</b>	<b>Group 2014 £</b>	<b>Company 2015 £</b>	<b>Company 2014 £</b>
<b>Amounts falling due within one year</b>				
Bank loans	<b>110,000</b>	92,997	-	-
Other loans	<b>359,083</b>	348,125	<b>75,000</b>	75,000
	<b>469,083</b>	441,122	<b>75,000</b>	75,000
<b>Amounts falling due 1-2 years</b>				
Bank loans	<b>110,000</b>	110,000	-	-
Other loans	<b>326,000</b>	375,083	<b>326,000</b>	326,000
	<b>469,083</b>	441,122	<b>75,000</b>	75,000
<b>Amounts falling due 2-5 years</b>				
Bank loans	<b>330,000</b>	330,990	-	-
	<b>469,083</b>	441,122	<b>75,000</b>	75,000
<b>Amounts falling due after more than 5 years</b>				
Bank loans	<b>929,049</b>	1,043,674	-	-
	<b>469,083</b>	441,122	<b>75,000</b>	75,000

**19. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2015 £</b>	<b>Group 2014 £</b>	<b>Company 2015 £</b>	<b>Company 2014 £</b>
Falling due within one year	<b>80,761</b>	74,387	<b>80,761</b>	74,387
Falling due 1-2 years	<b>52,957</b>	61,488	<b>52,957</b>	61,488
Falling due 2-5 years	<b>3,019</b>	35,520	<b>3,019</b>	35,520
	<b>136,737</b>	171,395	<b>136,737</b>	171,395

**Burton Inns Limited**

**Notes to the financial statements  
For the Year Ended 31 December 2015**

**20. Financial instruments**

	<b>Group 2015 £</b>	<b>Group 2014 £</b>	<b>Company 2015 £</b>	<b>Company 2014 £</b>
<b>Financial assets</b>				
Measured at undiscounted amount receivable	<b>278,447</b>	100,884	<b>923,421</b>	910,221
	<b>278,447</b>	100,884	<b>923,421</b>	910,221
<b>Financial liabilities</b>				
Measured at undiscounted amount payable	<b>928,406</b>	812,390	<b>38,044</b>	40,227
Measured at amortised cost	<b>2,275,646</b>	2,447,371	<b>401,000</b>	401,000
	<b>3,204,052</b>	3,259,761	<b>439,044</b>	441,227

Financial assets measured at the undiscounted amount receivable comprise trade and other debtors, amounts due from group undertakings and cash and cash equivalents (See note 14 and 15).

Financial liabilities measured at undiscounted amount payable comprise trade and other creditors, accruals and amounts due to group undertakings (see note 16).

Financial liabilities measured at amortised cost comprise bank and other loans and net obligations under finance leases and hire purchase contracts (see note 16 and 17).

**21. Deferred taxation**

**Group**

	<b>Deferred tax £</b>
Charged to the profit or loss	<b>15,821</b>
<b>At 31 December 2015</b>	<b>15,821</b>

The deferred taxation balance is made up as follows:

	<b>Group 2015 £</b>
Accelerated capital allowances	<b>105,946</b>
Tax losses carried forward	<b>(90,125)</b>
	<b>15,821</b>

**Burton Inns Limited**

**Notes to the financial statements  
For the Year Ended 31 December 2015**

---

**22. Share capital**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
54,000 Ordinary 'A' shares of £1 each	54,000	54,000
41,000 Ordinary 'B' shares of £1 each	41,000	41,000
	<hr/>	<hr/>
	95,000	95,000
	<hr/>	<hr/>

The ordinary "A" shares and the ordinary "B" shares rank pari passu in all respects.

**23. Reserves**

**Share premium**

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

**Capital redemption reserve**

The capital redemption reserve represents paid up share capital repurchased by the company.

**Profit & loss account**

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

**24. Pension commitments**

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £24,576 (2014 - £23,120). Contributions totalling £2,960 (2014 - £3,685) were payable to the fund at the balance sheet date and are included within creditors.

**Burton Inns Limited****Notes to the financial statements  
For the Year Ended 31 December 2015****25. Commitments under operating leases**

At 31 December 2015 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2015 £</b>	<b>Group 2014 £</b>
<b>Other</b>		
Not later than 1 year	<b>7,792</b>	9,002
Later than 1 year and not later than 5 years	<b>7,143</b>	14,935
<b>Total</b>	<b>14,935</b>	23,937

	<b>Group 2015 £</b>	<b>Group 2014 £</b>	<b>Company 2015 £</b>	<b>Company 2014 £</b>
<b>Land and buildings</b>				
Not later than 1 year	<b>81,000</b>	80,000	-	-
Later than 1 year and not later than 5 years	<b>324,000</b>	-	-	-
<b>Total</b>	<b>405,000</b>	80,000	-	-

**26. Transactions with directors**

Included within other loans are loans outstanding to Mr R F Kerry, director of the company, of £40,000 (2014 - £40,000). The amount is interest bearing at 2% per annum and is repayable upon demand. In Branston Golf and Country Club Limited, subsidiary of Burton Inns Limited, Mr R F Kerry has a loan outstanding of £34,000 (2014 - 53,125). The amount is interest bearing at 2% per annum and is repayable upon demand.

Included within other loans are loans outstanding to Mr R Kerry and Mr J Kerry, directors of the company, of £100,000 each (2014 - £100,000 each). These amounts are interest bearing at 2% per annum and are repayable upon demand.

Included within other creditors is an amount owing to Mr R F Kerry, director of the company, of £4,191 (2014 - £4,191). No interest is charged and amount is repayable upon demand.

## Burton Inns Limited

### Notes to the financial statements For the Year Ended 31 December 2015

---

#### 27. Related party transactions

Burton Inns Limited is the parent company of Branston Golf & Country Club Limited.

During the year, the company made purchases from Branston Golf and Country Club Limited of £2,211 (2014 - £3,541). Included in trade creditors are amounts owed to Branston Golf and Country Club Limited of £6,436 (2014 - £3,983). During the year, the company made sales of £5,513 (2014 - £26,515) and recharged management charges of £72,000 (2014 - £48,685) to Branston Golf and Country Club Limited. Included in trade debtors are amounts owed from Branston Golf and Country Club Limited of £14,541 (2014 - £2,128). Included within debtors are loans due from Branston Golf and Country Club Limited at the balance sheet date of £856,632 (2014 - £869,277). The interest receivable on these loans vary between 1.5% to 2.5% above the bank base rate and amounted to £21,179 (2014 - £22,441). The interest which remains receivable at the year end amounts to £42,619 (2014 - £22,441).

Mr R F Kerry and Mr A A Gentles, directors of Burton Inns Limited, are also directors of The Winery Limited. Sales and recharges were invoiced to The Winery Limited during the year of £42,027 (2014 - £23,649). Included in trade debtors are amounts owed by The Winery of £17,046 (2014 - £7,598). Purchases and recharges were invoiced from The Winery Limited during the year of £nil (2014 - £9,696). Included in trade creditors are amounts owing to The Winery Limited of £nil (2014 - £11,029). Included in other creditors are amounts owing to The Winery Limited of £206,000 (2014 - £206,000). The interest payable on the loan is 1.5% above the bank base rate.

Mr R F Kerry and Mr A A Gentles, directors of Burton Inns Limited, are also directors of JD Parties Limited. Sales and recharges were invoiced to JD Parties Limited during the year of £2,250 (2014 - £260). Included in trade debtors are amounts owing from JD Parties Limited of £2,814 (2014 - £9,623). Purchases and recharges were invoiced from JD Parties Limited during the year of £1,003 (2014 - £7,025). Included in trade creditors are amounts owing to JD Parties Limited of £nil (2014 - £1,500).

#### 28. Post balance sheet events

Subsequent to the year end, the company acquired a further stake in its subsidiary undertaking, Branston Golf and Country Club Limited, of 28,617 'B' Shares for a consideration of £230,000.

## Burton Inns Limited

### Notes to the financial statements For the Year Ended 31 December 2015

---

#### 29. Controlling party

The ultimate controlling party is Mr R F Kerry by virtue of his majority beneficial shareholding.

#### 30. Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Branston Golf & Country Club Limited	England and Wales	Ordinary	65 %	Golf and country club

### 31. Transition to FRS 102

The Group and Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014. The impact of the transition to FRS 102 is as follows:

#### Reconciliation of equity at 1 January 2014

	Group £	Company £
Equity at 1 January 2014 under previous UK GAAP	1,437,235	823,082
Transitional adjustment for the holiday pay accrual	(31,211)	-
<b>Equity shareholders funds at 1 January 2014 under FRS 102</b>	<b>1,406,024</b>	<b>823,082</b>

#### Reconciliation of equity at 31 December 2014

	Group £	Company £
Equity at 31 December 2014 under previous UK GAAP	1,248,706	791,959
Transitional adjustment for holiday pay accrual	(31,211)	-
<b>Equity shareholders funds at 31 December 2014 under FRS 102</b>	<b>1,217,495</b>	<b>791,959</b>

#### Reconciliation of profit and loss account for the year ended 31 December 2014

	Group £	Company £
Loss for the year under UK GAAP	(188,529)	(31,123)
Transitional adjustment for holiday pay accrual	-	-
<b>Loss for the year ended 31 December 2014 under FRS 102</b>	<b>(188,529)</b>	<b>(31,123)</b>