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**Report of the Directors and  
Financial Statements for the Year Ended 31 December 2002  
for  
Burton Inns Limited**



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**Burton Inns Limited**

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for the Year Ended 31 December 2002**

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**Burton Inns Limited**  
**Company Information**  
**for the Year Ended 31 December 2002**

**DIRECTORS:** R F Kerry  
A A Gentles

**SECRETARY:** M J Slack

**REGISTERED OFFICE:** 33 High Street  
Tutbury  
Burton-on-Trent  
Staffordshire  
DE13 9LS

**REGISTERED NUMBER:** 1933151 (England and Wales)

**AUDITORS:** Bourne & Co.  
Registered Auditors &  
Chartered Accountants  
6 Lichfield Street  
Burton-on-Trent  
Staffordshire  
DE14 3RD

# Burton Inns Limited

## Report of the Directors for the Year Ended 31 December 2002

The directors present their report with the financial statements of the company for the year ended 31 December 2002.

### PRINCIPAL ACTIVITY

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

### REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

### DIVIDENDS

No interim dividends were paid during the year ended 31 December 2002.

The directors recommend final dividends per share as follows:

"A" Ordinary Shares £1 shares	21.05p
"B" Ordinary Shares £1 shares	21.05p

The total distribution of dividends for the year ended 31 December 2002 will be £20,000.

### DIRECTORS

The directors during the year under review were:

R F Kerry  
A A Gentles

The beneficial interests of the directors holding office on 31 December 2002 in the issued share capital of the company were as follows:

	31.12.02	1.1.02
"A" Ordinary Shares £1 shares		
R F Kerry	48,410	48,410
A A Gentles	5,000	5,000
"B" Ordinary Shares £1 shares		
R F Kerry	-	-
A A Gentles	-	-

### BRANSTON GOLF & COUNTRY CLUB LIMITED

The company's subsidiary, Branston Golf and Country Club Limited, had a principal activity in the year under review of a private golf club, incorporating health and leisure facilities.

The subsidiary's turnover has continued to rise whilst the expenses have been maintained at a fairly constant level. This has resulted in a return to profitability for the year.

This trend is expected to continue during this coming financial year.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**Burton Inns Limited**

**Report of the Directors  
for the Year Ended 31 December 2002**


**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

The auditors, Bourne & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



A A Gentles - DIRECTOR

Dated: 5/6/03

**Burton Inns Limited**

**Report of the Independent Auditors to the Shareholders of  
Burton Inns Limited**

We have audited the financial statements of Burton Inns Limited for the year ended 31 December 2002 on pages five to thirteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 described on page three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Bourne & Co.  
Registered Auditors &  
Chartered Accountants  
6 Lichfield Street  
Burton-on-Trent  
Staffordshire  
DE14 3RD

Dated: 6/6/03

**Burton Inns Limited**  
**Profit and Loss Account**  
**for the Year Ended 31 December 2002**

	Notes	31.12.02		31.12.01	
		£	£	£	£
<b>TURNOVER</b>			-		-
Administrative expenses			1,570		6,119
<b>OPERATING LOSS</b>	3		(1,570)		(6,119)
Income from investments		22,093		875	
Interest receivable and similar income		21,579		22,590	
			43,672		23,465
			42,102		17,346
Interest payable and similar charges	4		64		-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			42,038		17,346
Tax on profit on ordinary activities	5		3,839		5,001
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>			38,199		12,345
Dividends	6		20,000		-
			18,199		12,345
Retained profit brought forward			298,983		286,638
<b>RETAINED PROFIT CARRIED FORWARD</b>			£317,182		£298,983

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current and previous years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

**Burton Inns Limited**

**Balance Sheet  
31 December 2002**

		31.12.02		31.12.01	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Investments	7		344,222		344,222
<b>CURRENT ASSETS:</b>					
Debtors	8	468,191		488,297	
Cash at bank		46,190		19,476	
		<u>514,381</u>		<u>507,773</u>	
<b>CREDITORS:</b> Amounts falling due within one year	9	<u>26,421</u>		<u>38,012</u>	
<b>NET CURRENT ASSETS:</b>			487,960		469,761
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u>£832,182</u>		<u>£813,983</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	10		95,000		95,000
Capital redemption reserve	11		420,000		420,000
Profit and loss account			<u>317,182</u>		<u>298,983</u>
<b>SHAREHOLDERS' FUNDS:</b>	14		<u>£832,182</u>		<u>£813,983</u>

**ON BEHALF OF THE BOARD:**

  
 .....  
 A A Gentles DIRECTOR

Approved by the Board on 6/6/03.....



**Burton Inns Limited**

**Cash Flow Statement  
for the Year Ended 31 December 2002**

		31.12.02	31.12.01
	Notes	£	£
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1</b>	<b>14,980</b>	<b>(27,476)</b>
<b>Returns on investments and servicing of finance</b>	<b>2</b>	<b>43,608</b>	<b>23,465</b>
<b>Taxation</b>		<b>(31,874)</b>	<b>(6,667)</b>
<b>Increase/(Decrease) in cash in the period</b>		<b>£26,714</b>	<b>£(10,678)</b>
<hr/>			
<b>Reconciliation of net cash flow to movement in net funds</b>	<b>3</b>		
<b>Increase/(Decrease) in cash in the period</b>		<b>26,714</b>	<b>(10,678)</b>
<b>Change in net funds resulting from cash flows</b>		<b>26,714</b>	<b>(10,678)</b>
<b>Movement in net funds in the period</b>		<b>26,714</b>	<b>(10,678)</b>
<b>Net funds at 1 January</b>		<b>19,476</b>	<b>30,154</b>
<b>Net funds at 31 December</b>		<b>£46,190</b>	<b>£19,476</b>

The notes form part of these financial statements

**Burton Inns Limited**

**Notes to the Cash Flow Statement  
for the Year Ended 31 December 2002**

**1. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	31.12.02 £	31.12.01 £
Operating loss	(1,570)	(6,119)
Decrease/(Increase) in debtors	20,106	(17,607)
Decrease in creditors	(3,556)	(3,750)
	<u>          </u>	<u>          </u>
<b>Net cash inflow/(outflow) from operating activities</b>	<u><u>14,980</u></u>	<u><u>(27,476)</u></u>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31.12.02 £	31.12.01 £
<b>Returns on investments and servicing of finance</b>		
Interest received	21,579	22,590
Interest paid	(64)	-
Dividends received	22,093	875
	<u>          </u>	<u>          </u>
<b>Net cash inflow for returns on investments and servicing of finance</b>	<u><u>43,608</u></u>	<u><u>23,465</u></u>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.02 £	Cash flow £	At 31.12.02 £
Net cash:			
Cash at bank	19,476	26,714	46,190
	<u>          </u>	<u>          </u>	<u>          </u>
	<u>19,476</u>	<u>26,714</u>	<u>46,190</u>
 Total	 <u>19,476</u>	 <u>26,714</u>	 <u>46,190</u>
<b>Analysed in Balance Sheet</b>			
Cash at bank	19,476		46,190
	<u>          </u>		<u>          </u>
	<u>19,476</u>		<u>46,190</u>

The notes form part of these financial statements

# Burton Inns Limited

## Notes to the Financial Statements for the Year Ended 31 December 2002

### 1. ACCOUNTING POLICIES

#### Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention. The company and its subsidiary comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare consolidated group accounts.

#### Accounting convention

The financial statements have been prepared under the historical cost convention.

#### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

### 2. STAFF COSTS

There were no staff costs for the year ended 31 December 2002 nor for the year ended 31 December 2001.

### 3. OPERATING LOSS

The operating loss is stated after charging:

	31.12.02	31.12.01
	£	£
Auditors' remuneration	1,140	1,100
	<u>          </u>	<u>          </u>
Directors' emoluments	-	-
	<u>          </u>	<u>          </u>

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.02	31.12.01
	£	£
Interest on corporation tax	64	-
	<u>          </u>	<u>          </u>

### 5. TAXATION

#### Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.02	31.12.01
	£	£
Current tax:		
UK corporation tax	3,839	3,734
Under/(over) provision in previous years	-	1,267
	<u>          </u>	<u>          </u>
Total current tax	3,839	5,001
	<u>          </u>	<u>          </u>
Tax on profit on ordinary activities	3,839	5,001
	<u>          </u>	<u>          </u>

UK corporation tax has been charged at 19% (2001 - 20%).

**Burton Inns Limited**

**Notes to the Financial Statements  
for the Year Ended 31 December 2002**

**5. TAXATION - continued**

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.02	31.12.01
	£	£
Profit on ordinary activities before tax	42,038	17,346
	<u>          </u>	<u>          </u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2001 - 20%)	7,987	3,469
Effects of:		
Non taxable dividend income	(4,197)	(175)
Effect of changes in tax rate	49	-
Expenses not deductible for tax purposes	-	440
Adjustments to tax charge in respect of previous periods	-	1,267
	<u>          </u>	<u>          </u>
Current tax charge	3,839	5,001
	<u>          </u>	<u>          </u>

**6. DIVIDENDS**

	31.12.02	31.12.01
	£	£
Equity shares:		
54,000 "A" Ordinary Shares shares of £1 each		
Proposed dividend	11,368	-
41,000 "B" Ordinary Shares shares of £1 each		
Proposed dividend	8,632	-
	<u>          </u>	<u>          </u>
	20,000	-
	<u>          </u>	<u>          </u>

**7. FIXED ASSET INVESTMENTS**

	£
<b>COST:</b>	
At 1 January 2002	
and 31 December 2002	344,222
	<u>          </u>
<b>NET BOOK VALUE:</b>	
At 31 December 2002	344,222
	<u>          </u>
At 31 December 2001	344,222
	<u>          </u>

**Burton Inns Limited**

**Notes to the Financial Statements  
for the Year Ended 31 December 2002**

**7. FIXED ASSET INVESTMENTS - continued**

	31.12.02	31.12.01
	£	£
Investments listed on recognised stock exchange	13,825	13,825
Unlisted investments	330,397	330,397
	<u>344,222</u>	<u>344,222</u>

Market value of listed investments at 31 December 2002 - £50,575 (2001 - £60,550).

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

**Branston Golf and Country Club Limited**

Nature of business: Private golf club and leisure facilities

	%
Class of shares:	holding
Ordinary	64.80

	31.12.02	31.12.01
	£	£
Aggregate capital and reserves	1,884,686	1,874,438
Profit/(Loss) for the year	10,248	(102,367)
	<u>1,894,934</u>	<u>1,772,071</u>

**8. DEBTORS**

	31.12.02	31.12.01
	£	£
Amounts falling due within one year:		
Other Debtors	216,508	18,259
Prepayments	21,579	30,112
Amounts owed by subsidiary	28,004	17,826
	<u>266,091</u>	<u>66,197</u>

Amounts falling due after more than one year:

Amounts owed by subsidiary	202,100	212,100
Other debtors	-	210,000
	<u>202,100</u>	<u>422,100</u>

Aggregate amounts	<u>468,191</u>	<u>488,297</u>
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**Burton Inns Limited**

**Notes to the Financial Statements  
for the Year Ended 31 December 2002**

**9. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	31.12.02	31.12.01
	£	£
Trade Creditors	-	506
Other creditors and accruals	2,582	4,162
Dividend proposed	20,000	-
Social security & other taxes	-	1,470
Corporation Tax	3,839	31,874
	<u>26,421</u>	<u>38,012</u>

**10. CALLED UP SHARE CAPITAL**

Authorised:

Number:	Class:	Nominal value:	31.12.02	31.12.01
			£	£
544,000	"A" Ordinary Shares	£1	544,000	544,000
41,000	"B" Ordinary Shares	£1	41,000	41,000
415,000	5% redeemable preference shares	£1	415,000	415,000
			<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.02	31.12.01
			£	£
54,000	"A" Ordinary Shares	£1	54,000	54,000
41,000	"B" Ordinary Shares	£1	41,000	41,000
			<u>95,000</u>	<u>95,000</u>

The "A" ordinary shares and the "B" ordinary shares rank pari passu in all respects other than as follows :

The majority of the "A" ordinary shareholders are entitled to appoint three directors.

The majority of the "B" ordinary shareholders are entitled to appoint one director.

**11. CAPITAL REDEMPTION RESERVE**

	31.12.02	31.12.01
	£	£
Brought forward	420,000	420,000
	<u>420,000</u>	<u>420,000</u>

**12. CONTINGENT LIABILITIES**

The company has made a guarantee in favour of Branston Golf & Country Club Limited, amounting to £150,000.

# Burton Inns Limited

## Notes to the Financial Statements for the Year Ended 31 December 2002

### 13. TRANSACTIONS WITH DIRECTORS

a) During the year the company charged interest of £11,116 to Branston Golf and Country Club Limited. R F Kerry and A A Gentles are directors in Branston Golf and Country Club Limited. The company has a material interest in the share capital of Branston Golf and Country Club Limited.

b) During the year the company charged interest of £10,463 to Ye Olde Dog and Partridge Inn Limited. R F Kerry is a director of and has a material interest in the share capital of Ye Olde Dog and Partridge Inn Limited. A A Gentles is also a director of that company.

c) At 31st December 2002 the company was owed the following amounts by related parties:

	2002 £
Ye Olde Dog & Partridge Inn Ltd.	196,759
Branston Golf & Country Club Ltd.	241,220

Ye Olde Dog & Partridge Inn Limited ceased to trade in January 2003. The balance owed by the company has been repaid after 31 December 2002.

### 14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.02 £	31.12.01 £
Profit for the financial year	38,199	12,345
Dividends	(20,000)	-
<b>Net addition to shareholders' funds</b>	<b>18,199</b>	<b>12,345</b>
Opening shareholders' funds	813,983	801,638
<b>Closing shareholders' funds</b>	<b>832,182</b>	<b>813,983</b>
Equity interests	832,182	813,983

### 15. CONTROL

The company is controlled by its principal shareholder R F Kerry.

**Burton Inns Limited**  
**Profit and Loss Account**  
**for the Year Ended 31 December 2002**

	31.12.02		31.12.01	
	£	£	£	£
<b>Income</b>		-		-
<b>Other income:</b>				
Dividends received	2,573		875	
Dividends from subsidiaries	19,520		-	
Other interest receivable	21,579		22,590	
		<u>43,672</u>		<u>23,465</u>
		43,672		23,465
<b>Expenditure:</b>				
Motor and travelling	-		567	
Sundry expenses	-		217	
Audit and accountancy	1,140		1,100	
Accountancy	-		1,950	
Professional charges	212		2,023	
Rates and water	-		54	
Insurance	127		-	
Light and heat	-		78	
		<u>1,479</u>		<u>5,989</u>
		42,193		17,476
<b>Finance costs:</b>				
Interest on corporation tax	64		-	
Bank charges	91		130	
		<u>155</u>		<u>130</u>
<b>NET PROFIT</b>		<u>£42,038</u>		<u>£17,346</u>

This page does not form part of the statutory financial statements