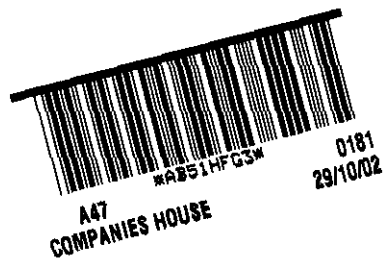


1933151

**Report of the Directors and  
Financial Statements for the Year Ended 31 December 2001  
for  
Burton Inns Limited**



**Burton Inns Limited**

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for the Year Ended 31 December 2001**

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**Burton Inns Limited**  
**Company Information**  
**for the Year Ended 31 December 2001**

**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 2001**

The directors present their report with the financial statements of the company for the year ended 31 December 2001.

**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 dividends will be distributed for the year ended 31 December 2001.

**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 2001 in the issued share capital of the company were as follows:

	31.12.01	1.1.01
<b>"A" Ordinary Shares £1 shares</b>		
R F Kerry	48,410	48,410
A A Gentles	5,000	5,000
<b>"B" Ordinary Shares £1 shares</b>		
R F Kerry	-	-
A A Gentles	-	-

**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.

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: 25/10/02

**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 2001 on pages four to twelve. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

As described on page two 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.

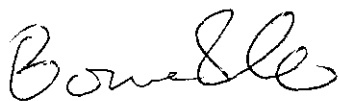
**Basis of audit opinion**

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 2001 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: 29/10/02

**Burton Inns Limited**

**Profit and Loss Account  
for the Year Ended 31 December 2001**

		31.12.01		31.12.00	
	Notes	£	£	£	£
<b>TURNOVER</b>			-		93,545
Administrative expenses			6,119		120,495
<b>OPERATING LOSS</b>	3		(6,119)		(26,950)
Income from investments		875		700	
Interest receivable and similar income		22,590		28,238	
			23,465		28,938
			17,346		1,988
Amounts written off investments	4		-		(8,364)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			17,346		10,352
Tax on profit on ordinary activities	5		5,001		33,540
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>			12,345		(23,188)
Retained profit brought forward			286,638		309,826
<b>RETAINED PROFIT CARRIED FORWARD</b>			<u>£298,983</u>		<u>£286,638</u>

**CONTINUING OPERATIONS**

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

**TOTAL RECOGNISED GAINS AND LOSSES**

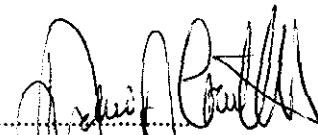
The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

**Burton Inns Limited**

**Balance Sheet  
31 December 2001**

		31.12.01		31.12.00	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Investments	6		344,222		344,222
<b>CURRENT ASSETS:</b>					
Debtors	7	488,297		470,690	
Cash at bank		19,476		30,154	
		<u>507,773</u>		<u>500,844</u>	
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>38,012</u>		<u>43,428</u>	
<b>NET CURRENT ASSETS:</b>			<u>469,761</u>		<u>457,416</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u>£813,983</u>		<u>£801,638</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	9		95,000		95,000
Capital redemption reserve	10		420,000		420,000
Profit and loss account			<u>298,983</u>		<u>286,638</u>
<b>SHAREHOLDERS' FUNDS:</b>	13		<u>£813,983</u>		<u>£801,638</u>

**ON BEHALF OF THE BOARD:**

  
 .....  
 A A Gentles - DIRECTOR  
 Approved by the Board on 25/12/02.....

**Burton Inns Limited**

**Cash Flow Statement  
for the Year Ended 31 December 2001**

		31.12.01	31.12.00
	Notes	£	£
<b>Net cash outflow from operating activities</b>	1	(27,476)	(125,387)
<b>Returns on investments and servicing of finance</b>	2	23,465	28,938
<b>Taxation</b>		(6,667)	(8,160)
<b>Capital expenditure and financial investment</b>	2	-	135,670
<b>(Decrease)/Increase in cash in the period</b>		<u>£(10,678)</u>	<u>£31,061</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
<b>(Decrease)/Increase in cash in the period</b>		<u>(10,678)</u>	<u>31,061</u>
Change in net funds resulting from cash flows		<u>(10,678)</u>	<u>31,061</u>
<b>Movement in net funds in the period</b>		<u>(10,678)</u>	<u>31,061</u>
<b>Net funds/(debt) at 1 January</b>		<u>30,154</u>	<u>(907)</u>
<b>Net funds at 31 December</b>		<u>£19,476</u>	<u>£30,154</u>

The notes form part of these financial statements



**Burton Inns Limited**

**Notes to the Cash Flow Statement  
for the Year Ended 31 December 2001**

**1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	31.12.01 £	31.12.00 £
Operating loss	(6,119)	(26,950)
Loss on sale of fixed assets	-	16,439
Increase in debtors	(17,607)	(112,285)
Decrease in creditors	(3,750)	(2,591)
	<hr/>	<hr/>
<b>Net cash outflow from operating activities</b>	<b>(27,476)</b>	<b>(125,387)</b>
	<hr/>	<hr/>

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

	31.12.01 £	31.12.00 £
<b>Returns on investments and servicing of finance</b>		
Interest received	22,590	28,238
Dividends received	875	700
	<hr/>	<hr/>
Net cash inflow for returns on investments and servicing of finance	23,465	28,938
	<hr/>	<hr/>
<b>Capital expenditure and financial investment</b>		
Sale of tangible fixed assets	-	121,381
Cash receipts - investment sales	-	14,289
	<hr/>	<hr/>
Net cash inflow for capital expenditure	-	135,670
	<hr/>	<hr/>

The notes form part of these financial statements

**Burton Inns Limited**

**Notes to the Cash Flow Statement  
for the Year Ended 31 December 2001**

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

	At 1.1.01 £	Cash flow £	At 31.12.01 £
Net cash:			
Cash at bank	30,154	(10,678)	19,476
	<u>30,154</u>	<u>(10,678)</u>	<u>19,476</u>
 Total	 <u>30,154</u>	 <u>(10,678)</u>	 <u>19,476</u>
<b>Analysed in Balance Sheet</b>			
 Cash at bank	 30,154		 19,476
	<u>30,154</u>		<u>19,476</u>

The notes form part of these financial statements

# Burton Inns Limited

## Notes to the Financial Statements for the Year Ended 31 December 2001

### 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.

#### Turnover

Turnover represents net invoiced sales and monies received, excluding value added tax, in respect of the sale of goods and services to customers.

#### Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

### 2. STAFF COSTS

	31.12.01	31.12.00
	£	£
Wages and salaries	-	79,491
	<u>          </u>	<u>          </u>

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

	31.12.01	31.12.00
Management and administration	-	5
	<u>          </u>	<u>          </u>

### 3. OPERATING LOSS

The operating loss is stated after charging:

	31.12.01	31.12.00
	£	£
Loss on disposal of fixed assets	-	16,439
Auditors' remuneration	1,100	2,750
	<u>          </u>	<u>          </u>
Directors' emoluments	-	-
	<u>          </u>	<u>          </u>

### 4. AMOUNTS WRITTEN OFF INVESTMENTS

	31.12.01	31.12.00
	£	£
Profit on disposal of shares	-	(8,364)
	<u>          </u>	<u>          </u>

# Burton Inns Limited

## Notes to the Financial Statements for the Year Ended 31 December 2001

### 5. TAXATION

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

	31.12.01	31.12.00
	£	£
UK corporation tax	3,734	5,400
Under/(over) provision in previous years	1,267	28,140
	<u>5,001</u>	<u>33,540</u>

### 6. FIXED ASSET INVESTMENTS

#### COST:

At 1 January 2001  
and 31 December 2001

£

344,222

#### NET BOOK VALUE:

At 31 December 2001

344,222

At 31 December 2000

344,222

	31.12.01	31.12.00
	£	£
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 2001 - £60,550 (2000 - £41,825).

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

	31.12.01	31.12.00
	£	£
Aggregate capital and reserves	1,874,438	1,976,805
(Loss)/Profit for the year	<u>(102,367)</u>	<u>8,849</u>

# Burton Inns Limited

## Notes to the Financial Statements for the Year Ended 31 December 2001

### 7. DEBTORS

	31.12.01 £	31.12.00 £
Amounts falling due within one year:		
Other Debtors	18,259	27,914
Prepayments	30,112	-
Amounts owed by subsidiary	17,826	130,676
	<u>66,197</u>	<u>158,590</u>
Amounts falling due after more than one year:		
Amounts owed by subsidiary	212,100	102,100
Other debtors	210,000	210,000
	<u>422,100</u>	<u>312,100</u>
Aggregate amounts	<u>488,297</u>	<u>470,690</u>

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.01 £	31.12.00 £
Trade Creditors	506	306
Accruals	4,162	7,431
Social security & other taxes	1,470	2,151
Corporation Tax	31,874	33,540
	<u>38,012</u>	<u>43,428</u>

### 9. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	31.12.01 £	31.12.00 £
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:	31.12.01 £	31.12.00 £
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>

# Burton Inns Limited

## Notes to the Financial Statements for the Year Ended 31 December 2001

### 9. CALLED UP SHARE CAPITAL - continued

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.

### 10. CAPITAL REDEMPTION RESERVE

	31.12.01	31.12.00
	£	£
Brought forward	420,000	420,000

### 11. CONTINGENT LIABILITIES

The company has made a guarantee in favour of J D Parties Limited, amounting to £150,000.

### 12. TRANSACTIONS WITH DIRECTORS

a) During the year the company recharged overheads amounting to £3,874 (2000: £45,983) and interest of £12,800 (2000: £15,114) to Branston Golf and Country Club Limited. In addition, freehold land valued at £102,820 was sold to Branston Golf and Country Club Limited during the year ended 31 December 2000. 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 recharged overheads amounting to £nil (2000: £39,106) and interest of £9,790 (2000: £13,124) 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) During the year the company recharged overheads amounting to £nil (2000: £8,476) to J D Parties Limited. R F Kerry and A A Gentles are directors of and have a material interest in the share capital of J D Parties Limited.

d) At 31st December 2001 the company was owed the following amounts by related parties:

	2001	2000
	£	£
Ye Olde Dog & Partridge Inn Ltd.	228,259	228,259
Branston Golf & Country Club Ltd.	229,926	232,776
J D Parties Ltd.	-	2,886

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

	31.12.01	31.12.00
	£	£
Profit/(Loss) for the financial year	12,345	(23,188)
<b>Net addition/(reduction) to shareholders' funds</b>	12,345	(23,188)
Opening shareholders' funds	801,638	824,826
<b>Closing shareholders' funds</b>	813,983	801,638
Equity interests	813,983	801,638

### 14. 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 2001**

	31.12.01		31.12.00	
	£	£	£	£
<b>Management charges</b>		-		93,545
<b>Other income:</b>				
Dividends received	875		700	
Other interest receivable	22,590		28,238	
		23,465		28,938
		23,465		122,483
<b>Expenditure:</b>				
Wages and salaries	-		79,491	
Postage and stationery	-		30	
Computer maintenance	-		2,120	
Motor and travelling	567		2,541	
Interest on late tax payment	-		4,749	
Sundry expenses	217		(679)	
Audit and accountancy	1,100		2,750	
Accountancy	1,950		-	
Professional charges	2,023		12,404	
Rates and water	54		233	
Light and heat	78		104	
		5,989		103,743
		17,476		18,740
<b>Finance costs:</b>				
Bank charges		130		313
		17,346		18,427
<b>Loss on disposal of fixed assets:</b>				
Loss on disposal		-		16,439
		17,346		1,988
<b>Amount written off investments:</b>				
Profit on disposal of shares		-		(8,364)
<b>NET PROFIT</b>		£17,346		£10,352

This page does not form part of the statutory financial statements