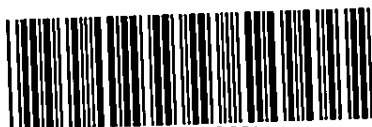


COMPANY REGISTRATION NUMBER 03609525

**MARKET TOWN TAVERNS PLC**  
**FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2009**

THURSDAY



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COMPANIES HOUSE

**HW (LEEDS) LLP**  
**CHARTERED ACCOUNTANTS**

**MARKET TOWN TAVERNS PLC**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2009**

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**MARKET TOWN TAVERNS PLC**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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<b>The board of directors</b>	I Fozard S M Midgley L R Bers G Smith
<b>Company secretary</b>	L R Bers
<b>Registered office</b>	6 Green Dragon Yard Knaresborough North Yorkshire HG5 8AU
<b>Auditor</b>	HW (Leeds) LLP Chartered Accountants & Statutory Auditor Sterling House Sheepscar Court Meanwood Road Leeds LS7 2BB
<b>Bankers</b>	Bank of Scotland 116 Wellington Street Leeds LS1 4LT
<b>Solicitors</b>	Walker Morris 12 King Street Leeds LS1 2HL
<b>Website address</b>	<a href="http://www.markettowntaverns.co.uk">www.markettowntaverns.co.uk</a>

**MARKET TOWN TAVERNS PLC**  
**THE DIRECTORS' REPORT**  
**YEAR ENDED 30 SEPTEMBER 2009**

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 September 2009.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was the operation of a chain of ale and wine bars.

The year ended 30th September 2009 was an excellent year for the Company. No new taverns opened during the year.

Sales performance throughout the year showed a good level of improvement over the 2008 financial year.

As a consequence, overall turnover in the year increased by 10%. Gross profit margins improved by 1.2%, largely as a consequence of better margins on food sales. Year on year, administrative expenses, including staff costs and depreciation increased by 3.1%. The consequence of the above trends is that profit before tax grew by 268% year on year.

The sales mix also changed with the Company experiencing a strong increase in like for like wet sales during the year with a minimal increase in food sales.

The Company has ongoing overdraft facilities with Bank of Scotland. At 30th September 2009, the facility was £300,000 none of which was utilized at that date. The Directors are of the opinion, based on forward projections and current trading, that the overdraft facility is adequate for the foreseeable future needs of the Company.

The Directors believe that the outlook for the year ending September 2010 is positive despite the difficult economic conditions. They are of the opinion that continuous improvement in service standards and focusing on recruiting high calibre staff is the key to ensuring improved financial performance in future years.

Other than those factors outside the Company's control, the Directors are not aware of any significant risk that may adversely impact on the Company during the forthcoming financial year. In the view of the Directors, the performance of the Company's business is primarily dependant upon maintaining a highly motivated and well rewarded workforce and the Directors intend to continue to optimize this position in the interests of all stakeholders in the Company.

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £248,298. Particulars of dividends paid are detailed in note 9 to the financial statements.

**DIRECTORS**

The directors who served the company during the year were as follows:

I Fozard  
S M Midgley  
L R Bers  
G Smith

**MARKET TOWN TAVERNS PLC**  
**THE DIRECTORS' REPORT (continued)**  
**YEAR ENDED 30 SEPTEMBER 2009**

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**POLICY ON THE PAYMENT OF CREDITORS**

The company's current policy concerning the payment of trade creditors is to: settle the terms of payment with suppliers when agreeing the terms of each transactions; ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contacts; and pay in accordance with the company's contractual and other legal obligations.

The average number of days purchases represented by trade creditors at 30 September 2009 was 49 (2008:55).

**DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**DONATIONS**

During the year the company made the following contributions:

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Charitable donations	<b><u>2,325</u></b>	<b><u>222</u></b>

**MARKET TOWN TAVERNS PLC**  
**THE DIRECTORS' REPORT *(continued)***  
**YEAR ENDED 30 SEPTEMBER 2009**

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**AUDITOR**

HW (Leeds) LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:  
6 Green Dragon Yard  
Knaresborough  
North Yorkshire  
HG5 8AU

Signed by order of the directors



L R BERS  
Company Secretary

Approved by the directors on 9 December 2009.

**MARKET TOWN TAVERNS PLC**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**MARKET TOWN TAVERNS PLC**  
**YEAR ENDED 30 SEPTEMBER 2009**

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We have audited the financial statements of Market Town Taverns PLC for the year ended 30 September 2009 on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 (APB'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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2009 and of its 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

**MARKET TOWN TAVERNS PLC**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**MARKET TOWN TAVERNS PLC (*continued*)**

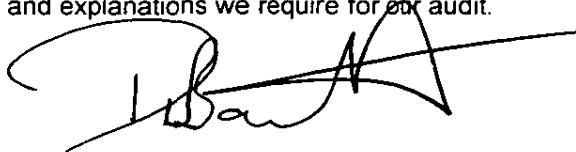
**YEAR ENDED 30 SEPTEMBER 2009**

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**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.



PETER L BANCROFT (Senior  
Statutory Auditor)  
For and on behalf of  
HW (LEEDS) LLP  
Chartered Accountants  
& Statutory Auditor

Sterling House  
Sheepscar Court  
Meanwood Road  
Leeds  
LS7 2BB

16 December 2009



**MARKET TOWN TAVERNS PLC**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 SEPTEMBER 2009**

	Note	2009 £	2008 £
<b>TURNOVER</b>	<b>2</b>	<b>4,289,033</b>	<b>3,900,522</b>
Cost of sales		<u>1,511,004</u>	<u>1,419,085</u>
<b>GROSS PROFIT</b>		<b>2,778,029</b>	<b>2,481,437</b>
Administrative expenses		2,352,345	2,274,805
Depreciation		110,823	115,392
Other operating income	3	(14,293)	(14,250)
<b>OPERATING PROFIT</b>	<b>4</b>	<b>329,154</b>	<b>105,490</b>
Interest payable and similar charges	7	1,800	16,565
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>327,354</b>	<b>88,925</b>
Tax on profit on ordinary activities	8	79,056	28,077
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>248,298</u></b>	<b><u>60,848</u></b>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 10 to 18 form part of these financial statements.

**MARKET TOWN TAVERNS PLC**

**BALANCE SHEET**

**30 SEPTEMBER 2009**

	Note	2009		2008	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	10		37,393		39,413
Tangible assets	11		<u>1,213,933</u>		<u>1,164,761</u>
			1,251,326		1,204,174
<b>CURRENT ASSETS</b>					
Stocks	12	76,960		79,236	
Debtors	13	116,336		87,188	
Cash at bank and in hand		<u>215,575</u>		<u>52,562</u>	
		408,871		218,986	
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>634,343</u>		<u>632,419</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(225,472)</u>		<u>(413,433)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,025,854		790,741
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred taxation	15		<u>79,454</u>		<u>61,411</u>
			<u>946,400</u>		<u>729,330</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	18		624,664		624,664
Share premium account	19		5,605		5,605
Profit and loss account	20		<u>316,131</u>		<u>99,061</u>
<b>SHAREHOLDERS' FUNDS</b>	21		<u>946,400</u>		<u>729,330</u>

These financial statements were approved by the directors and authorised for issue on 9 December 2009, and are signed on their behalf by:

  
I FOZARD  
Director

Company Registration Number: 03609525

**The notes on pages 10 to 18 form part of these financial statements.**

**MARKET TOWN TAVERNS PLC**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 30 SEPTEMBER 2009**

	Note	2009 £	£	2008 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	22		520,774		184,379
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	22		(1,800)		(16,565)
TAXATION	22		(2,874)		(2,693)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	22		(159,995)		(54,532)
EQUITY DIVIDENDS PAID			(31,228)		—
INCREASE IN CASH	22		<u>324,877</u>		<u>110,589</u>

**MARKET TOWN TAVERNS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2009**

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**1. ACCOUNTING POLICIES**

**Basis of accounting**

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

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Amortisation**

Amortisation 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:

Goodwill - Over its estimated useful economic life

**Fixed assets**

All fixed assets are initially recorded at cost.

**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:

Leasehold Property Improvements	- Over the period of the lease
Fixtures & Fittings	- 15% reducing balance
Office Equipment	- 25% reducing balance

**Stocks**

Stocks 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 profit and loss account.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

**MARKET TOWN TAVERNS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2009**

**1. ACCOUNTING POLICIES (*continued*)**

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**2. TURNOVER**

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2009 £	2008 £
United Kingdom	<u>4,289,033</u>	<u>3,900,522</u>

**3. OTHER OPERATING INCOME**

	2009 £	2008 £
Rent receivable	<u>14,293</u>	<u>14,250</u>

**4. OPERATING PROFIT**

Operating profit is stated after charging:

	2009 £	2008 £
Amortisation of intangible assets	2,020	2,020
Depreciation of owned fixed assets	110,823	115,392
Auditor's remuneration		
- as auditor	5,300	5,000
- for other services	1,000	1,000
Operating lease costs:		
- Rent of property	<u>293,682</u>	<u>285,067</u>

**MARKET TOWN TAVERNS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2009**

**5. PARTICULARS OF EMPLOYEES**

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

	2009	2008
	No	No
Number of management staff	6	5
Other staff	136	138
	<u>142</u>	<u>143</u>

The aggregate payroll costs of the above were:

	2009	2008
	£	£
Wages and salaries	1,391,375	1,355,756
Social security costs	102,111	108,974
Other pension costs	6,602	5,947
	<u>1,500,088</u>	<u>1,470,677</u>

**6. DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services were:

	2009	2008
	£	£
Remuneration receivable	125,500	95,417
Value of company pension contributions to money purchase schemes	4,937	4,150
	<u>130,437</u>	<u>99,567</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2009	2008
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2009	2008
	£	£
Interest payable on bank borrowing	1,720	16,528
Other similar charges payable	80	37
	<u>1,800</u>	<u>16,565</u>

**MARKET TOWN TAVERNS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2009**

**8. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	2009		2008
	£	£	£
Current tax:			
In respect of the year:			
UK Corporation tax based on the results for the year at 21% (2008 - 20%)	61,013		2,876
Over/under provision in prior year	-		(44)
Total current tax	<u>61,013</u>		<u>2,832</u>
Deferred tax:			
Origination and reversal of timing differences (note 15)			
Capital allowances	11,586		5,716
Losses	<u>6,457</u>		<u>19,529</u>
Total deferred tax (note 15)		<u>18,043</u>	<u>25,245</u>
Tax on profit on ordinary activities		<u><u>79,056</u></u>	<u><u>28,077</u></u>

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2008 - 20%).

	2009	2008
	£	£
Profit on ordinary activities before taxation	<u>327,354</u>	<u>88,925</u>
Profit on ordinary activities by rate of tax	68,744	17,785
Capital allowances period in excess of depreciation	(8,055)	4,447
Utilisation of tax losses	(6,581)	(19,640)
Other tax adjustments	<u>6,905</u>	<u>240</u>
Total current tax (note 8(a))	<u><u>61,013</u></u>	<u><u>2,832</u></u>

**9. DIVIDENDS**

**Equity dividends**

	2009	2008
	£	£
Paid during the year:		
Dividends on Ordinary shares	<u>31,228</u>	<u>-</u>

**MARKET TOWN TAVERNS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2009**

**10. INTANGIBLE FIXED ASSETS**

	Goodwill £
<b>COST</b>	
At 1 October 2008 and 30 September 2009	<u>48,500</u>
<b>AMORTISATION</b>	
At 1 October 2008	9,087
Charge for the year	<u>2,020</u>
At 30 September 2009	<u>11,107</u>
<b>NET BOOK VALUE</b>	
At 30 September 2009	<u>37,393</u>
At 30 September 2008	<u>39,413</u>

**11. TANGIBLE FIXED ASSETS**

	Leasehold Property Improvement £	Fixtures & Fittings £	Equipment £	Total £
<b>COST</b>				
At 1 October 2008	945,545	930,567	27,592	1,903,704
Additions	<u>105,215</u>	<u>52,247</u>	<u>2,533</u>	<u>159,995</u>
At 30 September 2009	<u>1,050,760</u>	<u>982,814</u>	<u>30,125</u>	<u>2,063,699</u>
<b>DEPRECIATION</b>				
At 1 October 2008	236,045	484,480	18,418	738,943
Charge for the year	<u>38,498</u>	<u>70,049</u>	<u>2,276</u>	<u>110,823</u>
At 30 September 2009	<u>274,543</u>	<u>554,529</u>	<u>20,694</u>	<u>849,766</u>
<b>NET BOOK VALUE</b>				
At 30 September 2009	<u>776,217</u>	<u>428,285</u>	<u>9,431</u>	<u>1,213,933</u>
At 30 September 2008	<u>709,500</u>	<u>446,087</u>	<u>9,174</u>	<u>1,164,761</u>
<b>Capital commitments</b>				
		2009 £		2008 £
Contracted but not provided for in the financial statements		<u>140,000</u>		<u>-</u>

**12. STOCKS**

	2009 £	2008 £
Goods for resale	<u>76,960</u>	<u>79,236</u>



**MARKET TOWN TAVERNS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2009**

**13. DEBTORS**

	2009 £	2008 £
Other debtors	43,248	20,879
Prepayments and accrued income	73,088	66,309
	<u>116,336</u>	<u>87,188</u>

**14. CREDITORS: Amounts falling due within one year**

	2009 £	2008 £
Overdrafts	—	161,864
Trade creditors	290,455	310,297
Other creditors including taxation and social security:		
Taxation and social security	190,823	133,921
Other creditors	5,081	—
	<u>195,904</u>	<u>133,921</u>
Accruals and deferred income	147,984	26,337
	<u>634,343</u>	<u>632,419</u>

The bank loan and overdraft are secured on the assets and undertakings of the company.

**15. DEFERRED TAXATION**

The movement in the deferred taxation provision during the year was:

	2009 £	2008 £
Provision brought forward	61,411	36,166
Profit and loss account movement arising during the year	18,043	25,245
Provision carried forward	<u>79,454</u>	<u>61,411</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2009 £	2008 £
Excess of taxation allowances over depreciation on fixed assets	79,454	67,868
Tax losses available	—	(6,457)
	<u>79,454</u>	<u>61,411</u>

**MARKET TOWN TAVERNS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2009**

**16. COMMITMENTS UNDER OPERATING LEASES**

At 30 September 2009 the company had annual commitments under non-cancellable operating leases as set out below.

	<i>Land and buildings</i>	
	2009	2008
	£	£
Operating leases which expire:		
Within 1 year	4,919	-
Within 2 to 5 years	32,145	4,500
After more than 5 years	272,300	282,122
	<u>309,364</u>	<u>286,622</u>

**17. RELATED PARTY TRANSACTIONS**

The director I Fozard received a dividend during the year of £7,750 (2008: £nil).

The director G Smith received a dividend during the year of £6,250 (2008: £nil).

The director L R Bers received a dividend during the year of £2,150 (2008: £nil).

During the year, consultancy fees of £5,000 each were paid to the directors G Smith and L R Bers (2008: £Nil).

No further transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

No one party has overall control of the company.

**18. SHARE CAPITAL**

**Authorised share capital:**

	2009	2008
	£	£
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
100 'A' shares of £1 each	100	100
	<u>1,000,100</u>	<u>1,000,100</u>

**Allotted, called up and fully paid:**

	2009		2008	
	No	£	No	£
624,564 Ordinary shares of £1 each	624,564	624,564	624,564	624,564
100 'A' shares of £1 each	100	100	100	100
	<u>624,664</u>	<u>624,664</u>	<u>624,664</u>	<u>624,664</u>

**19. SHARE PREMIUM ACCOUNT**

There was no movement on the share premium account during the financial year.

**MARKET TOWN TAVERNS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2009**

**20. PROFIT AND LOSS ACCOUNT**

	2009 £	2008 £
Balance brought forward	99,061	38,213
Profit for the financial year	248,298	60,848
Equity dividends	(31,228)	—
Balance carried forward	<u>316,131</u>	<u>99,061</u>

**21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2009 £	2008 £
Profit for the financial year	248,298	60,848
Equity dividends	(31,228)	—
Net addition to shareholders' funds	<u>217,070</u>	<u>60,848</u>
Opening shareholders' funds	729,330	668,482
Closing shareholders' funds	<u>946,400</u>	<u>729,330</u>

**22. NOTES TO THE CASH FLOW STATEMENT**

**RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2009 £	2008 £
Operating profit	329,154	105,490
Amortisation	2,020	2,020
Depreciation	110,823	115,392
Decrease/(increase) in stocks	2,276	(2,784)
Increase in debtors	(29,148)	(4,558)
Increase/(decrease) in creditors	105,649	(31,181)
Net cash inflow from operating activities	<u>520,774</u>	<u>184,379</u>

**RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	2009 £	2008 £
Interest paid	(1,800)	(16,565)
Net cash outflow from returns on investments and servicing of finance	<u>(1,800)</u>	<u>(16,565)</u>

**TAXATION**

	2009 £	2008 £
Taxation	<u>(2,874)</u>	<u>(2,693)</u>

**MARKET TOWN TAVERNS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2009**

**22. NOTES TO THE CASH FLOW STATEMENT (*continued*)**

**CAPITAL EXPENDITURE**

	2009 £	2008 £
Payments to acquire tangible fixed assets	(159,995)	(54,532)
Net cash outflow from capital expenditure	<u>(159,995)</u>	<u>(54,532)</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	2009 £	2008 £
Increase in cash in the period	324,877	110,589
Movement in net funds in the period	<u>324,877</u>	<u>110,589</u>
Net debt at 1 October 2008	(109,302)	(219,891)
Net funds at 30 September 2009	<u>215,575</u>	<u>(109,302)</u>

**ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 Oct 2008 £	Cash flows £	At 30 Sep 2009 £
Net cash:			
Cash in hand and at bank	52,562	163,013	215,575
Overdrafts	(161,864)	161,864	-
Net funds	<u>(109,302)</u>	<u>324,877</u>	<u>215,575</u>

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**MARKET TOWN TAVERNS PLC**  
**MANAGEMENT INFORMATION**  
**YEAR ENDED 30 SEPTEMBER 2009**

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**The following pages do not form part of the statutory financial statements  
which are the subject of the independent auditor's report on pages 5 to 6.**

**MARKET TOWN TAVERNS PLC**  
**DETAILED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 SEPTEMBER 2009**

	2009		2008	
	£	£	£	£
<b>TURNOVER</b>				
Wet sales		3,505,745		3,043,089
Food sales		783,288		857,433
		<u>4,289,033</u>		<u>3,900,522</u>
Purchases		1,511,004		1,419,085
<b>GROSS PROFIT</b>		<u>2,778,029</u>		<u>2,481,437</u>
<b>OVERHEADS</b>				
Directors salaries	125,500		95,417	
Directors pension contributions	4,937		4,150	
Wages and salaries	1,265,875		1,260,339	
Employers NIC	102,111		108,974	
Staff pension contributions	1,665		1,797	
Rent and rates	98,791		92,540	
Light, heat and water	109,280		89,626	
Insurance	19,271		17,654	
Repairs and maintenance	75,694		78,898	
Cleaning and consumables	64,603		65,811	
Travel and subsistence	18,363		18,483	
Telephone	9,233		8,310	
Printing, stationery and postage	20,965		18,849	
Staff training, recruitment and uniforms	11,314		18,329	
Sundry expenses	14,634		10,422	
Advertising, marketing and promotion	26,031		26,030	
Legal and professional fees	48,019		35,953	
Auditors remuneration	5,300		5,000	
Amortisation	2,020		2,020	
Depreciation of leasehold property improvements	38,498		37,861	
Depreciation of fixtures and fittings	70,049		76,031	
Depreciation of office equipment	2,276		1,500	
Operating lease: Property	293,682		285,067	
Bank charges	35,057		31,136	
		<u>2,463,168</u>		<u>2,390,197</u>
		314,861		91,240
<b>OTHER OPERATING INCOME</b>				
Rent receivable		14,293		14,250
<b>OPERATING PROFIT</b>		<u>329,154</u>		<u>105,490</u>
Interest payable and similar charges		(1,800)		(16,565)
<b>PROFIT ON ORDINARY ACTIVITIES</b>		<u>327,354</u>		<u>88,925</u>

**MARKET TOWN TAVERNS PLC**  
**DETAILED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 SEPTEMBER 2009**

	2009		2008	
	£	£	£	£
<b>INTEREST PAYABLE AND SIMILAR CHARGES</b>				
Bank interest payable		1,720		16,528
Other similar charges		80		37
		<u>1,800</u>		<u>16,565</u>