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McMULLEN & SONS, LIMITED

Report & Accounts 2015

McMULLEN & SONS, LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors	
Chairman	C D BRIMS, MA
Joint Managing Directors	P FURNESS-SMITH
	T P McMULLEN, BA, MBA (appointed 6th August 2015)
	J C McMULLEN
	I P McMULLEN, MA
	D S McMULLEN, MA, DL
	F J McMULLEN
	J S LYTHGOE, BA (Econ), FCA
	A W NEWBURY, BSc, FRICS
	S GILL, BA (Hons)
	H MIZON, LLB (Hons)
Secretary	A PENFOLD, FCCA, CTA (appointed 6th October, 2015)
	T P McMULLEN, BA, MBA (resigned 6th October, 2015)
Bankers	NATIONAL WESTMINSTER BANK PLC
Auditor	RSM UK AUDIT LLP (FORMERLY BAKER TILLY UK AUDIT LLP) 25 FARRINGDON STREET LONDON EC4A 4AB
Registered Office	26 OLD CROSS, HERTFORD, SG14 1RD
Registered Number	51456 England

McMULLEN & SONS, LIMITED

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the above-named Company will be held at 26 Old Cross, Hertford on the 18th February, 2016 at 12.00 p.m., for the following purposes:

1. To receive and adopt the Reports of the Directors and the Auditor and the Financial Statements for the 52 weeks ended 26th September, 2015.

2. To declare a dividend on the Ordinary Shares, Non-voting Ordinary Shares and Preferred Ordinary Shares.

3. To re-elect Mr C D Brims, Mr D S McMullen and Mr J S Lythgoe as Directors of the Company.

4. To re-appoint RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) as Auditor of the Company, and to authorise the Directors to fix their remuneration.

5. To consider as special business, and if thought fit, to pass the following Resolution which will be proposed as an Ordinary Resolution:

   That pursuant to Article 88 of the Company's Articles of Association, with effect from 1st October 2015, each person who is from the time being a Non-Executive Director of the Company shall be entitled to receive a fee for so acting of not more than £20,400 per annum.

Registered Office:
26 Old Cross
Hertford
SG14 1RD

7th January, 2016

By Order of the Board

A PENFOLD
Company Secretary

A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him. A proxy need not be a member.

Holders of the Non-voting Ordinary Shares and the Preferred Ordinary Shares are not entitled to attend or vote at this meeting.

STATEMENT BY THE CHAIRMAN

Profit before tax and exceptional items for the 52 weeks to 26th September, 2015 was £10.407m, an increase of 12.5% compared with 2014.

This good performance was driven, as in previous years, by successful pub acquisitions and by further growth in like-for-like sales in our existing pubs.

EXCEPTIONAL ITEMS

The exceptional gain was £5.723m. This relates to the disposal of pubs that have limited future prospects. The proceeds are used to acquire new pubs that have good long term prospects.

RETAIL DIVISION

After strong like-for-like sales in the previous year, helped by the good summer of 2014, further growth this year was always going to present a challenge. It is therefore very satisfactory to report a further increase in like-for-like sales of 4.2% . Within this, wet sales increased by 1.9% and food sales increased by 8.2%.

Headline sales across all managed houses increased by 4.7%. Sales growth was dominated by the increase in food sales, which moved up by 10.9% while wet sales grew by 1.4%. However, the trend towards drinking lower volumes of more premium products has depressed draught beer volumes which declined 4%. Volumes of soft drinks increased by 2.6% and spirits by 1.4%, while wine volumes were level with the previous year.

Sustained profit growth in the retail division depends on successful acquisitions and developments. So it is pleasing to report, once again, further success against this objective. The two new pubs opened in the previous year, the Kingfisher on the Quay in Camberley and the Prince George in Milton Keynes, both performed well and exceeded our expectations for their first full year of trading. The two existing pubs refurbished in the previous year (Angels, Hitchin and Red Lion, Hatfield) have also performed well. A number of refurbishments were completed in 2015 and the benefit of these will show through in the current financial year. These include the post-acquisition refurbishment of the Jolly Postie (formerly the Old Crown) in Royston; and the refurbishments at the Saracen's Head, Ware, the Millstream, Hitchin and the Queen Victoria, Theydon Bois.

Our two central London managed houses, the Nag's Head in Covent Garden and the Spice of Life at Cambridge Circus, again performed very well in a buoyant London market. Since the year end, the trading space at the Nag's Head has been increased by incorporating the first floor which was previously let out as an office.

Once again, this year we have focused our attention on the acquisition of London sites suitable for management and it is pleasing to report the purchase of the Lord Moon of the Mall in Whitehall, which is on a lease that expires in 2019.

The development of Chadwell Springs near Ware into a food-led pub with a family golf centre has been under way throughout the year. We plan to open the pub and driving range towards the end of 2016, with the remainder of the golf centre opening the following spring.

TENANCY DIVISION

The tenanted division had another good year with increased profit contribution. During the year we disposed of six tenanted pubs which meant that total draught beer and cider volumes were down 6%. But the remaining tenanted pubs performed well with like-for-like volumes up 2.5%.

The Company continues to support hard-working tenants and returns 28% of its wholesale income to tenants by way of discounts and sales rewards. The Company also invests in the fabric of these pubs to keep them up to the high standards expected by our customers.

STATEMENT BY THE CHAIRMAN – *continued*

The success of the tenancy division was, once again, driven in large part by the focus on attracting and retaining good tenants.

The impending Market Rent Only (MRO) legislation has yet to be finalised. Although it is aimed at companies bigger than us, it will have an impact on the structure of the market. It remains our objective to ensure our tenants have a reasonable and sustainable income so that we are able to provide long-term partnerships to the benefit of both tenants and the Company.

FREE TRADE

We continue to sell our draught beers into the traditional Free Trade as well as our bottled beers into supermarkets.

BREWING & DISTRIBUTION

The brewery and distribution teams succeeded in brewing and delivering our beers at lower costs than the previous year. Twelve seasonal ales were brewed throughout the year. One of the most popular was 'Braveherts' which was brewed to support Keech Hospice Care, a Hertfordshire hospice, raising over £2,000. In addition, during the year, customers in our pubs raised over £100,000 towards a range of local charities.

Other seasonal ales included Rockhopper brewed with a New Zealand hop which gave the beer a zesty "hoppy" flavour; and Bootwarmer, our popular full-flavoured Christmas Ale.

Energy savings have been made through the installation of solar panels on the roof of the brewery.

INDUSTRY MATTERS

We are pleased that in 2015 the Government again recognised the excessive burden of excise duty with a further cut of 1p per pint.

Nonetheless, it remains the case that the Company, in line with the on-trade generally, shoulders an unduly onerous and damaging tax burden. It cannot be sustainable for the Treasury to extract more from the Company in tax than the combined total that our employees earn for their labour and that our shareholders receive for investing in the business. The overall tax burden in community pubs exceeds 40% of turnover.

THE NATIONAL LIVING WAGE

We recognise the value of the National Living Wage which, together with our commitment to training and management development, should assist our recruitment and retention of good staff. It will, however, add significant cost to the Company over the next three years as it is phased in. We expect that improved levels of service will enable us to increase sales and margins, particularly in our food-led pubs.

SITE FINDING

We continue to seek good quality pubs and sites that have a long term future. As previously mentioned, during the year we bought the Lord Moon of the Mall in Whitehall.

We have also agreed terms to acquire a new-build pub in Colchester but this is subject to a planning appeal after the planning application for a pub on the site was refused.

Since the year end, we have completed the purchase of a property in St. Peter's Street, St Albans which directly adjoins our existing building at No. 45/47. Once the lease expires in 2023, we will apply for planning and licensing to convert both properties into a pub.

STATEMENT BY THE CHAIRMAN – *continued*

DIVIDENDS

In recognition of a good year and an encouraging start to the new financial year, the Board is recommending an increase of 12.5% to the total dividend for the year from 4.952p to 5.571p which would be implemented by increasing the final dividend for 2015 to 2.655p (2014: 2.360p). The interim dividends for 2016 would also increase by 12.5 % and be paid as follows:

April 2016	First Interim	1.094p (0.972p in 2015)
July 2016	Second Interim	1.094p (0.972p in 2015)
October 2016	Third Interim	1.094p (0.972p in 2015)

The recommendation on the final dividend to be paid in February 2017 will depend on the profit for the 53 weeks to 1st October, 2016.

OUTLOOK

The national economy is now on a reasonable footing with some further growth predicted for 2016, particularly in the south east where we operate. We believe that the quality of our pubs leaves us well placed to take advantage of these conditions. However, the Company's performance will inevitably be affected by the extra costs of the National Living Wage.

PEOPLE

During the year, I was delighted to announce some significant senior appointments from within the Company. Tom McMullen was promoted to Joint Managing Director alongside Peter Furness-Smith; Alison Penfold was promoted to Company Secretary; and Sandra Sheahan to Group HR Executive.

Finally, I take this opportunity to thank all our staff and tenants for their hard work and commitment in helping the Company to achieve another successful year.

Charles Brims

7th January, 2016

STRATEGIC REPORT

The Directors present their Strategic Report for the period ended 26th September, 2015.

REVIEW OF THE BUSINESS

The principal business of the Group during the period was the same as in the last period, being the fully integrated activities of a regional brewer and encompassed brewing and the packaging of beer, wholesaling and retailing together with the ownership and management of licensed and ancillary premises all within the United Kingdom. The Company continues to build on this business model.

During the 52 weeks ended 26th September, 2015, the Group continued to trade profitably and it is expected that expenditure on public houses will continue at a high level. Further information regarding the Group's business, financial performance and future developments is given in the Chairman's Statement.

RISKS AND UNCERTAINTIES

The main risks and uncertainties faced by the Group are as follows:

Interest rate risk	The Group has an overdraft facility which was not drawn down at the year end and has not been drawn down since then.
Credit risk	The Group regularly reviews its debtor listings and imposes a cash-before-order policy where necessary.
Liquidity risk	The Group reviews its cash position on a daily basis and a forecast cash flow statement on a regular basis.
Reputation	The Group ensures that regular reviews of its outlets are undertaken to ensure that high standards are maintained. In addition, performance is regularly monitored against that of the Group's competitors.
Political	The Government is increasingly willing to legislate to override commercial contracts between willing parties and to compel property owners to assume operational risk without reward.
National Living Wage	The introduction of the National Living Wage will add significant cost to the Company over the next three years and plans are in place to mitigate this.

KEY PERFORMANCE INDICATORS

The Group's performance for the financial period has been reported in the Chairman's Statement on pages 2 to 4 of these Financial Statements. The Directors consider that the key performance indicators are as follows:

Operating profit	As shown in the Group Profit and Loss Account.
Like-for-like sales (same site basis)	Sales where houses have traded as part of the managed house estate for the whole of both the current and the previous financial year. This therefore excludes any acquisitions, new-builds or disposals and any transfers to or from tenancy or the pub operator agreement in either year.
Production volume	The volume of home produced beer sold (expressed in barrels).
Trade volume	The volume of all beer and cider sold (expressed in barrels).

Approved by the Board on 7th January, 2016 and signed on its behalf by:

J S LYTHGOE
Director

REPORT OF THE DIRECTORS

The Directors submit their Report together with the Group and Company Financial Statements of McMullen & Sons, Limited for the 52 week period ended 26th September, 2015.

The Company has, in accordance with S.414c of the Companies Act, set out in the Strategic Report information regarding key performance indicators, principal risks and uncertainties and future developments that would otherwise have been set out in the Directors' Report.

PROFITS AND DIVIDENDS

Profits on ordinary activities before exceptional items and taxation in the accounting period amount to £10.407m *(2014: £9.250m)*.

After exceptional items and the deduction of taxation, the resulting profit for the period is £13.793m *(2014: £12.527m)*.

After further adjustment arising from the accounting treatment of pension fund costs (in accordance with FRS17), the Statement of Total Recognised Gains and Losses for the year shows recognised gains of £13.723m *(2014: £12.759m)*.

The dividends proposed have been set out in the Chairman's Statement. The balance of funds will be used to reinvest in the business.

BOARD OF DIRECTORS

The Directors of the Company who served throughout the period are shown on the initial page.

In accordance with the Articles of Association, Mr C D Brims, Mr D S McMullen and Mr J S Lythgoe retire from the Board and, being eligible, offer themselves for re-election.

All Directors' contracts of service with the Company and its subsidiary undertakings are determinable on one year's notice without payment of compensation.

During the period no Director has had a material interest in any contract, significant in relation to the Group's business, entered into by any company in the Group.

DETAILS OF DIRECTORS' SHAREHOLDINGS:

At 26th September, 2015

	Beneficial and Family Holdings			*Trustee Holdings*		
	Preferred Ordinary Shares	*Non-voting Ordinary Shares*	*Ordinary Shares*	*Preferred Ordinary Shares*	*Non-voting Ordinary Shares*	*Ordinary Shares*
J C McMullen	–	–	14,033	439,635	320,974	1,229,775
I P McMullen	181,049	137,736	384,667	3,789,967	1,376,245	2,241,710
D S McMullen	422,217	568,172	445,811	4,537,882	2,168,684	3,168,045
F J McMullen	63,138	241,339	904,857	63,138	111,818	365,559
T P McMullen	1,485,578	988,676	1,186,637	-	134,600	679,989

No other Director has any interest in the share capital of the Company.

REPORT OF THE DIRECTORS – *continued*

POLICY ON PAYMENT OF CREDITORS

It is the Group's policy to abide by the payment terms agreed with suppliers wherever it is satisfied that the supplier has provided the goods and services in accordance with the agreed terms and conditions. Group trade payable days based on trade payables at 26th September, 2015 were 22 days (*2014: 22 days*).

DIRECTORS' AND OFFICERS' INDEMNITY INSURANCE

The Group has taken out insurance to indemnify Directors and Officers in respect of third party proceedings against them whilst they are serving on the Board of any company within the Group. These indemnity policies subsisted throughout the period and remain in place at the date of this report.

EMPLOYEES

The Group recognises the valuable contribution made by its employees to the smooth operation of its business. Employees are kept informed of the Group's activities by way of regular newsletters and all members of staff are encouraged to discuss with management factors affecting the Group and any other matters about which they are concerned. The Group always fairly and fully considers matters relating to employment regardless of race, sex, age, disability, religious belief or sexual orientation. It is also the Group's policy to facilitate the ongoing development of staff through appropriate training and continued professional development. The Group also endeavours to retain or retrain those employees who have become disabled during employment.

AUDITOR

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) has indicated its willingness to continue in office and a resolution to reappoint RSM UK Audit LLP as Auditor for the ensuing year will be proposed at the forthcoming Annual General Meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors who were in office on the date of approval of these Financial Statements have confirmed that, as far as they are aware, there is no relevant audit information of which the Auditor is unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the Auditor.

Registered Office:
26 Old Cross
Hertford
SG14 1RD

7th January, 2016

On behalf of the Board

J S LYTHGOE
Director

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial period. 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 Group and the Company and of the profit or loss of the Group for that period. In preparing those Financial Statements, the Directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and accounting estimates that are reasonable and prudent;

c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and

d. prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF McMULLEN & SONS, LIMITED

We have audited the Group and Parent Company Financial Statements (the "Financial Statements") on pages 10 to 23. 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As more fully explained in the Directors' Responsibilities Statement set out on page 8, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditscopeukprivate.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the Financial Statements:

- give a true and fair view of the state of the Group's and Parent Company's affairs as at 26th September, 2015 and of the Group's profit for the 52 week period 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 Strategic Report and the Directors' Report for the financial period for which the Financial Statements are prepared is consistent with the Financial Statements.

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.

RSM UK Audit LLP

Andrew Monteith (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB
12th January, 2016

GROUP PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 26TH SEPTEMBER, 2015

		2015		*2014*	
	Note	£000	£000	*£000*	*£000*
TURNOVER	1c		75,401		*72,483*
Raw materials, consumables and excise duties		19,190		*18,421*	
Staff costs	3	22,583		*21,530*	
Depreciation and amounts written off tangible fixed assets	9a	3,981		*3,785*	
Other operating charges	2a	19,092		*19,294*	
			(64,846)		*(63,030)*
OPERATING PROFIT			10,555		*9,453*
Interest receivable	2b	30		*17*	
Net interest cost in respect of pensions and healthcare	4	(74)		*(102)*	
		(44)		*(85)*	
Less interest payable and similar charges	2c	(28)		*(42)*	
Less preference dividends	7a	(76)		*(76)*	
			(148)		*(203)*
PROFIT ON ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS AND TAXATION			10,407		*9,250*
Exceptional items	8		5,723		*5,364*
PROFIT ON ORDINARY ACTIVITIES INCLUDING EXCEPTIONAL ITEMS AND BEFORE TAXATION			16,130		*14,614*
Taxation on profit on ordinary activities	6a		(2,337)		*(2,087)*
PROFIT FOR THE FINANCIAL PERIOD	16		13,793		*12,527*

The turnover and profit for the period arises from the Group's continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

		2015	*2014*
Profit for the financial period		13,793	*12,527*
Actuarial gain / (loss) on defined benefit pension schemes	4	278	*(97)*
Actuarial (loss) / gain on post-retirement healthcare	4	(365)	*387*
Tax on actuarial loss / (gain)		17	*(58)*
Total recognised gains and losses relating to the period		13,723	*12,759*

The notes on pages 13 to 23 form part of these accounts.

McMULLEN & SONS, LIMITED

Company Registration Number 51456

BALANCE SHEETS AS AT 26TH SEPTEMBER, 2015

	Note	*Group* 2015 £000	*Group* *2014* *£000*	*Company* 2015 £000	*Company* *2014* *£000*
FIXED ASSETS					
Tangible assets	9a	128,502	*123,022*	128,502	*123,022*
Investments	9b	-	-	59	*59*
		128,502	*123,022*	128,561	*123,081*
CURRENT ASSETS					
Stocks	10	1,890	*1,889*	1,890	*1,889*
Debtors	11	4,540	*4,426*	4,530	*4,253*
Cash at bank and in hand		13,175	*5,818*	13,172	*5,813*
		19,605	*12,133*	19,592	*11,955*
CREDITORS: amounts falling due within one year					
Trade and other creditors	12	10,189	*10,167*	12,348	*11,924*
Taxation		1,474	*885*	1,417	*857*
Preference dividends payable		38	*38*	38	*38*
		11,701	*11,090*	13,803	*12,819*
NET CURRENT ASSETS/(LIABILITIES)		7,904	*1,043*	5,789	*(864)*
TOTAL ASSETS LESS CURRENT LIABILITIES		136,406	*124,065*	134,350	*122,217*
CREDITORS: amounts falling due after more than one year	13	1,411	*1,455*	1,411	*1,455*
PROVISIONS FOR LIABILITIES	14	696	*690*	696	*690*
		2,107	*2,145*	2,107	*2,145*
NET ASSETS BEFORE PENSIONS AND HEALTHCARE		134,299	*121,920*	132,243	*120,072*
Net pension liabilities	4	(522)	*(829)*	-	-
Net post-retirement healthcare liabilities	4	(887)	*(561)*	(887)	*(561)*
		(1,409)	*(1,390)*	(887)	*(561)*
NET ASSETS AFTER PENSIONS AND HEALTHCARE		132,890	*120,530*	131,356	*119,511*
CAPITAL AND RESERVES					
Called up share capital	15	2,541	*2,541*	2,541	*2,541*
Capital redemption reserve	16	5,645	*5,645*	5,645	*5,645*
Profit and loss account	16	124,704	*112,344*	123,170	*111,325*
SHAREHOLDERS' FUNDS	17	132,890	*120,530*	131,356	*119,511*

The Financial Statements on pages 10 to 23 were approved by the Board of Directors and authorised for issue on 7th January, 2016 and are signed on its behalf by:

C D BRIMS, Chairman

J S LYTHGOE, Director

The notes on pages 13 to 23 form part of these accounts.

GROUP CASH FLOW STATEMENT FOR THE 52 WEEKS ENDED 26TH SEPTEMBER, 2015

	Note	2015 £000	2015 £000	*2014 £000*	*2014 £000*
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES					
Operating profit			10,555		*9,453*
Loss on disposal of tangible fixed assets			294		*62*
Depreciation charges			3,981		*3,785*
(Increase)/Decrease in stocks			(1)		*59*
Increase in debtors			(412)		*(565)*
Increase in creditors			107		*802*
Charges in respect of retirement benefits			(137)		*(161)*
			14,387		*13,435*
CASH FLOW STATEMENT					
Net cash inflow from operating activities			14,387		*13,435*
Returns on investments and servicing of finance					
Interest received		28		*16*	
Less Interest paid		(9)		*(41)*	
Preference dividends paid		(76)		*(76)*	
			(57)		*(101)*
Taxation			(1,730)		*(2,837)*
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(11,420)		*(15,735)*	
Receipts from sales of tangible fixed assets					
- Property		7,421		*5,173*	
- Other		120		*125*	
			(3,879)		*(10,437)*
			8,721		*60*
Equity dividends paid			(1,364)		*(1,203)*
			7,357		*(1,143)*
Management of liquid resources					
(Increase)/Decrease in short term deposits			(2)		*2,514*
INCREASE IN CASH			7,355		*1,371*
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS					
Increase in cash in the period		7,355		*1,371*	
Cash outflow/(inflow) from increase/(decrease) in liquid resources		2		*(2,514)*	
Movement in net funds in the period			7,357		*(1,143)*
Net funds at the beginning of the period			5,060		*6,203*
Net funds at end of period	18		12,417		*5,060*

The notes on pages 13 to 23 form part of these accounts.

NOTES TO THE ACCOUNTS FOR THE 52 WEEKS ENDED 26TH SEPTEMBER, 2015

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The Financial Statements have been prepared under the historical cost convention and are for a period of 52 weeks ended 26th September, 2015. The comparative figures are for a period of 52 weeks ended 27th September, 2014. The Financial Statements have been prepared in accordance with applicable accounting standards. All accounting policies applied are consistent with those of prior periods.

(b) Basis of Consolidation

The consolidated Financial Statements incorporate those of McMullen & Sons, Limited and all of its subsidiary undertakings made up to 26th September, 2015. McMullen & Sons, Limited is the holding company and it has not presented its own profit and loss account as provided by Section 408, Companies Act 2006.

All Group companies are incorporated in Great Britain.

McMullen & Sons, Limited and McMullen's of Hertford Limited operate in England.

G. B. Christie Limited is dormant.

(c) Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary nature of trade and is stated exclusive of value added tax.

(d) Retirement Benefits

The estimated income on the assets of the managers' scheme, as reduced by the interest on pension scheme liabilities, are included in the profit and loss account, less any charges for the employers' current service cost, based on independent actuarial advice.

The interest on pension scheme liabilities and the employer's current service cost for the healthcare scheme are charged directly to the profit and loss account, based on independent actuarial advice.

Actuarial gains and losses are recognised in full in the period in which they occur in the Statement of Total Recognised Gains and Losses, rather than in the profit and loss account.

(e) Liquid Resources

The Group's liquid resources include short-term bank deposits which are not required to finance the day to day trading activities of the Group.

(f) Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

(g) Depreciation

Industrial and office buildings, plant and fixtures are depreciated over their estimated useful lives.

The following rates of depreciation have been adopted:

Freehold industrial and office buildings	2% p.a. on cost.
Long and short leasehold properties	equal instalments over the period of the lease.
Plant and machinery, fixtures, fittings, tools and equipment	at varying rates between 5% and 33⅓% p.a. on cost.

The Company has provided for depreciation on freehold licensed premises and domestic property thus ensuring compliance with FRS15 published by the Accounting Standards Board. Depreciation is provided at the rate of 2% on cost for the freehold licensed premises assuming an 80% residual value. Depreciation is provided at 2% on cost for domestic premises. Freehold land is not depreciated.

Expenditure on major refurbishments is charged to payments on account and apportioned to the relevant category on completion and no depreciation is provided until that time.

(h) Disposal of Land and Buildings

Disposals of land and buildings are recognised at the date contracts are exchanged, provided that the contract is unconditional and irrevocable. If the contract is conditional, recognition of the disposal is delayed until the last material condition is satisfied.

NOTES TO THE ACCOUNTS – *continued*

1. ACCOUNTING POLICIES - *continued*

(i) Deferred Tax

Deferred tax is recognised in respect of all timing differences, other than rolled over gains as detailed in note 6(c), that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the Financial Statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the Financial Statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

(j) Stocks

These have been valued at the lower of cost or net realisable value

Raw materials and consumables and Finished goods and goods for resale	Cost of acquisition being the amounts charged by suppliers including any excise duties payable.
In process products	Cost of production comprising raw material, labour and excise duties payable plus attributable brewery overheads based on normal levels of activity but excluding all selling and administration costs.

2. PROFIT ON ORDINARY ACTIVITIES

	2015 £000	***2014 £000***
(a) Other operating charges include:		
Loss on disposal of fixed assets	294	*62*
Remuneration of the Auditor:		
Fees payable to the Company's Auditor for the audit of the Company's annual accounts	55	*53*
Fees payable to the Company's Auditor and its associates for other services:		
Fees payable to the Company's Auditor in respect of the Group's pension schemes	6	*7*
Audit of the Company's subsidiaries pursuant to such legislation	3	*3*
Other services relating to taxation	53	*53*
(b) Interest receivable:		
On bank deposits	25	*14*
Other interest receivable	5	*3*
	30	*17*
(c) Interest payable:		
Interest payable on bank overdraft	23	*37*
Interest payable on deposits held	5	*5*
	28	*42*

3. STAFF COSTS

	2015 £000	***2014 £000***
Staff costs during the period amounted to:		
Wages and salaries	20,662	*19,541*
Social security costs	1,462	*1,461*
Other pension costs	459	*528*
	22,583	*21,530*

NOTES TO THE ACCOUNTS – *continued*

3. STAFF COSTS - *continued*

	2015 Number	*2014 Number*
Average number of employees during period:		
Bar staff	965	*935*
Pub management	99	*101*
Head office	80	*78*
	1,144	*1,114*

(Part-time employees are included in the above figures on the basis of their full-time equivalents.)

4. RETIREMENT BENEFITS & POST-RETIREMENT HEALTHCARE

As noted in last year's Financial Statements, the Hertford Brewery Superannuation Fund was wound up on 13th December, 2013. The Group therefore has only operated two pension schemes during the period under review. The McMullen Managers' Pension Scheme is a defined benefit pension scheme which provides benefits based on final pensionable salary. The second scheme is a defined contribution scheme which commenced in April 2012 to replace the Hertford Brewery Superannuation Fund.

Defined benefit scheme

The assets of the scheme are held in a separate trustee-nominated fund. Contributions are paid to the scheme in accordance with the recommendations of independent actuarial advisors.

The Company has signed Deeds of Indemnity in respect of the Hertford Brewery Superannuation Fund, the Hertford Brewery Supplementary Retirement Benefits Scheme and the Hertford Brewery Voluntary Contributions Plan, as a result of which, the Company has agreed to indemnify the Trustees against all subsequent claims arising against them.

A valuation of the managers' scheme for FRS17 purposes has been carried out at 26th September, 2015 by a qualified independent actuary. As required by FRS17, the value of the defined benefit liabilities has been measured using the projected unit method.

Defined contribution scheme

The Company contributed £260k to the defined contribution scheme during the period.

Post-retirement healthcare

The Company also operates a post-retirement healthcare arrangement for certain senior employees. This arrangement is not funded in advance. Liabilities in respect of the arrangement are recognised in the accounts in accordance with FRS17.

The amounts recognised in the balance sheet are as follows:

	Defined Benefit Schemes		*Retirement Healthcare*	
	2015 £000	*2014 £000*	2015 £000	*2014 £000*
Present value of defined benefit obligations	(1,763)	*(2,443)*	(1,108)	*(702)*
Fair value of plan assets	1,110	*1,407*	-	-
	(653)	*(1,036)*	(1,108)	*(702)*
Related deferred tax asset	131	*207*	221	*141*
	(522)	*(829)*	(887)	*(561)*

NOTES TO THE ACCOUNTS – *continued*

4. RETIREMENT BENEFITS & POST-RETIREMENT HEALTHCARE – *continued*

Changes in the present value of the defined benefit obligations are as follows:

	Defined Benefit Schemes		*Retirement Healthcare*	
	2015	*2014*	**2015**	*2014*
	£000	*£000*	**£000**	*£000*
Opening defined benefit obligations	(2,443)	*(30,201)*	(702)	*(1,047)*
Employers' part of current service cost	(19)	*(21)*	(28)	*(18)*
Contributions by plan participants	-	*(2)*	-	-
Interest cost	(86)	*(348)*	(28)	*(45)*
Actuarial gains / (losses)	274	*(102)*	(365)	*387*
Benefits paid	511	*628*	15	*21*
Past service costs	-	*(586)*	-	-
Settled as part of wind up	-	*28,189*	-	-
Closing defined benefit obligations	(1,763)	*(2,443)*	(1,108)	*(702)*

Changes in the fair value of plan assets are as follows:

	Defined Benefit Schemes		*Retirement Healthcare*	
	2015	*2014*	**2015**	*2014*
	£000	*£000*	**£000**	*£000*
Opening plan assets	1,407	*29,749*	-	-
Expected return	40	*291*	-	-
Actuarial gains	5	*5*	-	-
Contributions by employers	169	*177*	-	-
Contributions by plan participants	-	*2*	-	-
Benefits paid	(511)	*(628)*	-	-
Settled as part of wind up	-	*(28,189)*	-	-
Closing plan assets	1,110	*1,407*	-	-

The amounts recognised in the profit and loss account are as follows:

	Defined Benefit Schemes		*Retirement Healthcare*	
	2015	*2014*	**2015**	*2014*
	£000	*£000*	**£000**	*£000*
Current service cost	(19)	*(21)*	(28)	*(18)*
Interest on obligation	(86)	*(348)*	(28)	*(45)*
Expected return on plan assets	40	*291*	-	-
Past service cost	-	*(586)*	-	-
Past service costs extinguished by unrecognised surplus	-	*586*	-	-
Total	(65)	*(78)*	(56)	*(63)*

	2015	*2014*
	£000	*£000*
Actual return on plan assets	45	*296*

The Group expects to contribute £173k to the managers' scheme in 2016.

The amounts recognised in the Statement of Total Recognised Gains and Losses are as follows:

	Current Year		*Cumulative*	
	2015	*2014*	**2015**	*2014*
	£000	*£000*	**£000**	*£000*
Actuarial (losses) / gains	(87)	*290*	(4,859)	*(4,772)*
Effect of asset limit	-	-	(2,097)	*(2,097)*
	(87)	*290*	(6,956)	*(6,869)*

NOTES TO THE ACCOUNTS – *continued*

4. RETIREMENT BENEFITS & POST-RETIREMENT HEALTHCARE – *continued*

The major categories of plan assets as a percentage of total plan assets are as follows:

	2015		*2014*	
	%	£000	*%*	*£000*
With-profit funds	100.0%	1,110	*100.0%*	*1,407*
	100.0%	1,110	*100.0%*	*1,407*

Principal actuarial assumptions at the balance sheet date:

	2015	*2014*
Discount rate	3.70%	*3.90%*
Expected return on plan assets – managers' scheme	n/a	*3.25%*
Future RPI inflation	3.2%	*3.40%*
Future salary increases	5.20%	*5.40%*
Future pension increases – managers' scheme (inflation up to 5%)	2.50%	*2.70%*
Future pension increases – managers' scheme (inflation up to 2.5%)	1.90%	*2.00%*
Annual increase in healthcare costs (in excess of RPI)	3.00%	*3.00%*

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment portfolio.

On the basis of the assumptions used for life expectancy, a male pensioner currently aged 60 would be expected to live for a further 29.1 years *(2014: 29.6 years)*. Allowance is made for future improvements in life expectancy.

Assumed healthcare cost trend rates have a significant effect on the amounts recognised in profit or loss. A one percentage point change in assumed healthcare cost trend rates would have the following effects:

	One percentage point increase	*One percentage point decrease*
	£000	£000
Effect on the aggregate of the service cost and interest cost	(20)	14
Effect on defined benefit obligation	(289)	222

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes:	2015	*2014*	*2013*	*2012*	*2011*
	£000	*£000*	*£000*	*£000*	*£000*
Defined benefit obligation	(1,763)	*(2,443)*	*(30,201)*	*(28,481)*	*(27,168)*
Plan assets	1,110	*1,407*	*29,749*	*27,695*	*26,875*
Derecognition of plan assets	-	-	*(586)*	*(232)*	*(574)*
Deficit	(653)	*(1,036)*	*(1,038)*	*(1,018)*	*(867)*
Experience adjustments on plan assets:					
Amount of gain	5	*5*	*1,983*	*1,099*	*2,760*
Experience adjustments on plan liabilities:					
Amount of gain / (loss)	296	*44*	*(6)*	*(126)*	*232*

Retirement healthcare benefits:	2015	*2014*	*2013*	*2012*	*2011*
	£000	*£000*	*£000*	*£000*	*£000*
Defined benefit obligation	(1,108)	*(702)*	*(1,047)*	*(1,083)*	*(1,346)*
Experience adjustments on plan liabilities					
Amount of (loss) / gain	(396)	*459*	*180*	*366*	*280*

NOTES TO THE ACCOUNTS – *continued*

5. DIRECTORS' REMUNERATION

	2015	*2014*
Aggregate Directors' remuneration consisted of:	£000	*£000*
Fees	57	*57*
Other emoluments	1,313	*1,259*
	1,370	*1,316*
Company pension contributions to defined contribution schemes	106	*158*
	1,476	*1,474*

	2015	*2014*
Remuneration of the highest paid Director consists of:	£000	*£000*
Emoluments	251	*228*
Company pension contributions to defined contribution scheme	-	*20*

6. TAXATION

	2015		*2014*	
	£000	£000	*£000*	*£000*
(a) *Analysis of charge in period*				
Current Tax:				
UK Corporation tax on profits of the period	2,603		*2,611*	
Adjustments in respect of previous periods	(285)		*(469)*	
Total current tax (note 6(b))		2,318		*2,142*
Deferred Tax:				
Origination and reversal of timing differences (note 14)	6		*(68)*	
Other recognised gains and losses	13		*13*	
Total deferred tax		19		*(55)*
Tax on profit on ordinary activities		2,337		*2,087*

Taxation on the exceptional items is a charge of £211k (*2014: £63k*).

(b) Factors affecting the tax charge

The tax assessed for the period is lower (*2014: lower*) than the effective rate of corporation tax in the UK of 20.5% (*2014: 22%*). The differences are explained below:

	2015	*2014*
	£000	*£000*
Profit on ordinary activities including exceptional items before tax	16,130	*14,614*
Profit on ordinary activities multiplied by the effective rate of corporation tax in the UK of 20.5% *(2014: 22%)*	3,307	*3,215*
Effects of:		
Expenses not deductible for tax purposes	101	*413*
Capital allowances for the period less than depreciation	99	*96*
Adjustments in respect of capital gains	(1,049)	*(1,110)*
Adjustment in respect of impairment loss	146	*-*
Lower rate tax adjustment	(1)	*(3)*
Adjustment in respect of a previous period	(285)	*(469)*
Current tax charge for period (note 6(a))	2,318	*2,142*

NOTES TO THE ACCOUNTS – *continued*

6. TAXATION - *continued*

(c) Factors that may affect future tax charges

No provision has been made for deferred tax on the sale of properties where potentially taxable gains have been rolled over into replacement assets. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided is £3.5m *(2014: £3.4m)*.

7. DIVIDENDS

(a) Preference Dividends

	2015 £000	***2014 £000***
Preferred Ordinary Shares		
- paid	38	*38*
- accrued	38	*38*
	76	*76*

(b) Equity Dividends

The equity dividends paid in respect of the Ordinary and Preferred Ordinary Shares were as follows:

	2015 pence per share	***2014 pence per share***	**2015 £000**	***2014 £000***
October	0.864	*0.785*	228	*207*
February	2.360	*2.047*	622	*540*
April	0.972	*0.864*	257	*228*
July	0.972	*0.864*	257	*228*
	5.168	*4.560*	1,364	*1,203*

8. EXCEPTIONAL ITEMS

	2015 £000	***2014 £000***
Profit on sale of property	6,438	*5,364*
Impairment losses in respect of property sold after the year end	(715)	*-*
	5,723	*5,364*

9. FIXED ASSETS

(a) Tangible Assets – Group and Company

	Land & buildings			*Payments*		*Fixtures,*	
		Leasehold		*on*	*Plant and*	*fittings, tools and*	
	Freehold	*Long*	*Short*	*account*	*machinery*	*equipment*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*	*£000*	*£000*
Cost at 27th September, 2014	112,414	305	283	583	4,667	41,901	160,153
Additions	7,508	-	-	967	209	2,591	11,275
Transfers between categories	333	-	-	(818)	-	485	-
Disposals	(721)	-	-	-	(430)	(1,969)	(3,120)
At 26th September, 2015	119,534	305	283	732	4,446	43,008	168,308
Depreciation and impairment losses							
At 27th September, 2014	7,027	106	124	-	2,842	27,032	37,131
Charge for the period	557	3	5	-	421	2,995	3,981
Impairment losses	679	-	-	-	-	36	715
Disposals	(37)	-	-	-	(364)	(1,620)	(2,021)
At 26th September, 2015	8,226	109	129	-	2,899	28,443	39,806
NET BOOK VALUE							
At 26th September, 2015	111,308	196	154	732	1,547	14,565	128,502
NET BOOK VALUE							
At 27th September, 2014	105,387	199	159	583	1,825	14,869	123,022

NOTES TO THE ACCOUNTS – *continued*

9. FIXED ASSETS- *continued*

(b) Investments

	Group 2015 £000	*Group 2014 £000*	Company 2015 £000	*Company 2014 £000*
At cost:				
Subsidiary undertakings				
McMullen's of Hertford Limited	-	-	1	*1*
G.B. Christie Limited	-	-	58	*58*
	-	-	59	*59*

Details of the Company's investments in subsidiary undertakings are as follows:

	Holding	*Proportion of voting rights and shares held*	*Nature of business*
McMullen's of Hertford Limited	Ordinary shares	100%	Supply of employment services
G. B. Christie Limited	Ordinary shares	100%	Dormant

10. STOCKS

	Group 2015 £000	*Group 2014 £000*	Company 2015 £000	*Company 2014 £000*
Raw materials and consumables	71	*81*	71	*81*
In process products	7	*6*	7	*6*
Finished goods and goods for resale	1,812	*1,802*	1,812	*1,802*
	1,890	*1,889*	1,890	*1,889*

11. DEBTORS

	Group 2015 £000	*Group 2014 £000*	Company 2015 £000	*Company 2014 £000*
Trade debtors	2,335	*1,893*	2,335	*1,893*
Other debtors	224	*513*	214	*340*
Prepayments and accrued income	1,981	*2,020*	1,981	*2,020*
	4,540	*4,426*	4,530	*4,253*

12. TRADE AND OTHER CREDITORS

	Group 2015 £000	*Group 2014 £000*	Company 2015 £000	*Company 2014 £000*
Trade creditors	4,268	*4,900*	4,268	*4,900*
Amount owed to subsidiary undertaking	-	-	2,696	*2,268*
Other taxation and social security costs	3,010	*2,564*	2,728	*2,286*
Other creditors	429	*327*	177	*99*
Accruals and deferred income	2,482	*2,376*	2,479	*2,371*
	10,189	*10,167*	12,348	*11,924*

NOTES TO THE ACCOUNTS – *continued*

13. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2015 £000	*Group 2014 £000*	Company 2015 £000	*Company 2014 £000*
Preference shares	758	*758*	758	*758*
Other creditors	653	*697*	653	*697*
	1,411	*1,455*	1,411	*1,455*

14. PROVISIONS FOR LIABILITIES

Deferred Tax

Provision has been made as follows:

	Group 2015 £000	*Group 2014 £000*	Company 2015 £000	*Company 2014 £000*
Accelerated capital allowances	770	*769*	770	*769*
Short term timing differences	(74)	*(79)*	(74)	*(79)*
	696	*690*	696	*690*

The movements on the deferred taxation provision were:

	Group 2015 £000	*Group 2014 £000*	Company 2015 £000	*Company 2014 £000*
At 27th September, 2014	690	*758*	690	*758*
Charged / (credited) to profit and loss account	6	*(68)*	6	*(68)*
At 26th September, 2015	696	*690*	696	*690*

15. SHARE CAPITAL

	Authorised			
	2015 Number	*2014 Number*	2015 £000	*2014 £000*
6.5% Cumulative Preference Shares of £1 each	841,105	*841,105*	841	*841*
10.5% Cumulative Preference Shares of £1 each	2,690,950	*2,690,950*	2,691	*2,691*
Preferred Ordinary Shares of 12.5p each	21,650,000	*21,650,000*	2,706	*2,706*
Ordinary Shares of 12.5p each	10,825,000	*10,825,000*	1,353	*1,353*
Non-voting Ordinary Shares of 12.5p each	10,825,000	*10,825,000*	1,353	*1,353*
			8,944	*8,944*

	Allotted, Issued & Fully Paid			
	2015 Number	*2014 Number*	2015 £000	*2014 £000*
Preferred Ordinary Shares of 12.5p each	12,714,372	*12,714,372*	1,589	*1,589*
Less preferred element included as long-term creditor			(758)	*(758)*
			831	*831*
Ordinary Shares of 12.5p each	8,894,612	*8,894,612*	1,112	*1,112*
Non-voting Ordinary Shares of 12.5p each	4,781,015	*4,781,015*	598	*598*
			2,541	*2,541*

NOTES TO THE ACCOUNTS – *continued*

15. SHARE CAPITAL - *continued*

Brief Summary of Class Rights

Voting

The holders of the Preferred Ordinary Shares and Non-voting Ordinary Shares are not entitled to attend general meetings or to vote except when their dividends are in arrears or on a winding up or on a variation of class rights.

Dividends

The Preferred Ordinary Shares are entitled as a class to a fixed preferential dividend of a relevant proportion of £106,085 per annum. The Preferred Ordinary and the Ordinary Shares are entitled equally to the Ordinary dividends declared in proportion to the issued nominal amount of those classes of capital.

Winding up

In a winding up, the Preferred Ordinary Shares as a class are entitled to the capital paid up, any arrears of dividend and a proportion of the sum remaining for distribution after the priority payments above, in proportion to the issued nominal amount of Preferred Ordinary and Ordinary Capital.

Detailed provisions

This is an abbreviated summary and reference should be made to the Company's Articles of Association for full details.

16. RESERVES

	Capital Redemption Reserve		*Profit & Loss Account*	
	2015	*2014*	**2015**	*2014*
Group	**£000**	*£000*	**£000**	*£000*
At beginning of period	5,645	*5,645*	112,344	*100,788*
Profit for the period	-	-	13,793	*12,527*
Equity dividends paid	-	-	(1,364)	*(1,203)*
Amounts for pensions (charged) / credited to reserves	-	-	(69)	*232*
Balance at end of period	5,645	*5,645*	124,704	*112,344*

	Capital Redemption Reserve		*Profit & Loss Account*	
	2015	*2014*	**2015**	*2014*
Company	**£000**	*£000*	**£000**	*£000*
At beginning of period	5,645	*5,645*	111,325	*99,870*
Profit for the period	-	-	13,500	*12,348*
Equity dividends paid	-	-	(1,364)	*(1,203)*
Amounts for pensions (charged) / credited to reserves	-	-	(291)	*310*
Balance at end of period	5,645	*5,645*	123,170	*111,325*

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group		*Company*	
	2015 £000	*2014 £000*	**2015 £000**	*2014 £000*
Shareholders' funds at beginning of period	120,530	*108,974*	119,511	*108,056*
Movement for the period				
Profit for the period after taxation	13,793	*12,527*	13,500	*12,348*
Equity dividends paid	(1,364)	*(1,203)*	(1,364)	*(1,203)*
Amounts for pensions and healthcare (charged) / credited to reserves	(69)	*232*	(291)	*310*
Net addition to shareholders' funds for the period	12,360	*11,556*	11,845	*11,455*
Shareholders' funds at end of period	132,890	*120,530*	131,356	*119,511*

NOTES TO THE ACCOUNTS – *continued*

18. ANALYSIS OF CHANGE IN NET FUNDS

	At 27.09.14 £000	Cash flows £000	At 26.09.15 £000
Cash at bank and in hand	5,534	7,355	12,889
Debt due after one year	(758)	-	(758)
Current asset investments – bank term deposits	284	2	286
	5,060	7,357	12,417

19. CAPITAL COMMITMENTS

	2015 £000	*2014 £000*
Capital commitments not provided for in these financial statements in existence at the period end	453	-

20. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the FRS8 exemption not to disclose transactions with parties that are wholly owned members of the Group.

GROUP FINANCIAL RECORD

		2015 £000	*2014 £000*
Assets Employed			
Fixed Assets		128,502	*123,022*
Net Current Assets / (Liabilities)		7,904	*1,043*
Net Pension and Healthcare (Liabilities) / Assets		(1,409)	*(1,390)*
	Total	134,997	*122,675*
Financed by			
Ordinary and Preferred Ordinary Shares		2,541	*2,541*
Reserves and Undistributed Profits		130,349	*117,989*
	Equity Interest	132,890	*120,530*
Creditors falling due after more than one year		1,411	*1,455*
Provisions for Liabilities and Charges		696	*690*
	Total	134,997	*122,675*
Turnover		75,401	*72,483*
Profits on Ordinary Activities before Exceptional Items and Taxation		10,407	*9,250*
Exceptional Items		5,723	*5,364*
Taxation		(2,337)	*(2,087)*
	Profit after Taxation	13,793	*12,527*
Dividends Declared			
Preferential – Net		76	*76*
Ordinary – Net		1,470	*1,307*
	Total	1,546	*1,383*
Retentions			
Retained Profit for the Period		12,360	*11,556*
Depreciation		3,981	*3,785*
	Total	16,341	*15,341*
Ordinary Dividend – pence per share (on a declared basis)		5.571	*4.952*
Earnings per Ordinary Share after Taxation and before Exceptional Items – pence		31.38	*27.38*
Earnings per Ordinary Share after Taxation and after Exceptional Items - pence		52.27	*47.47*

GROUP FINANCIAL RECORD – *continued*

2013 £000	2012 £000	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000	2006 £000
111,223	100,574	94,115	88,554	84,350	74,697	75,256	67,856
1,429	6,982	5,973	5,046	3,256	11,453	4,863	(94)
(1,669)	(1,648)	(1,704)	(2,215)	752	564	6,106	4,676
110,983	105,908	98,384	91,385	88,358	86,714	86,225	72,438
2,541	2,541	2,541	2,541	2,541	2,541	2,541	2,541
106,433	101,495	94,116	87,178	84,237	79,147	78,467	59,465
108,974	104,036	96,657	89,719	86,778	81,688	81,008	62,006
1,251	1,165	1,355	1,322	1,346	4,556	4,807	9,392
758	707	372	344	234	470	410	1,040
110,983	105,908	98,384	91,385	88,358	86,714	86,225	72,438
67,516	63,777	60,760	58,715	56,519	55,074	55,151	52,109
7,561	6,553	7,383	5,943	6,363	8,116	7,302	7,385
908	3,794	(2,103)	3,318	-	1,758	15,511	2,812
(2,437)	(2,344)	(977)	(2,424)	(513)	(2,332)	(3,996)	(2,277)
6,032	8,003	4,303	6,837	5,850	7,542	18,817	7,920
76	76	76	76	76	76	76	76
1,162	1,056	983	983	983	982	966	935
1,238	1,132	1,059	1,059	1,059	1,058	1,042	1,011
4,938	7,379	6,938	2,941	5,090	680	19,002	6,166
3,606	3,430	3,413	3,246	3,017	2,981	2,990	3,184
8,544	10,809	10,351	6,187	8,107	3,661	21,992	9,350
4.402	4.002	3.723	3.723	3.723	3.723	3.660	3.544
19.50	17.06	24.10	15.41	22.17	22.13	19.31	19.85
22.86	30.33	16.31	25.91	22.17	28.58	71.30	30.01