Company Registration No. SC018060 (Scotland)

Valvona & Crolla Limited

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31 January 2012

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VALVONA & CROLLA LIMITED

DIRECTORS AND ADVISERS

DIRECTORS	P Contini M Contini F M Contini
SECRETARY	M Contini
COMPANY NUMBER	SC018060
REGISTERED OFFICE	19 Elm Row Edinburgh EH7 4AA
REGISTERED AUDITORS	Baker Tilly UK Audit LLP First Floor, Quay 2 139 Fountainbridge Edinburgh EH3 9QG
BANKERS	Clydesdale Bank plc 1 Croall Place Edinburgh EH7 4LT
SOLICITORS	McClure Naismith Nova House 3 Ponton Street Edinburgh EH3 9QQ Lindsays WS Caledonian Exchange 19A Canning Street Edinburgh EH3 8HE

VALVONA & CROLLA LIMITED

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VALVONA & CROLLA LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2012

The directors present their report and consolidated financial statements for the year ended 31 January 2012.

PRINCIPAL ACTIVITIES

The principal activities of the company are those of purveyors of retail food, wine and spirit merchants, restaurateurs, bakers, online sales, outside catering and eventing in six locations in Scotland, all of whose results are contained in this consolidated financial statement. The company holds 100% of the share capital of Elm Row Productions Limited. The principal activity of that company is that of restaurateurs and eventing. Consolidated financial statements have been prepared incorporating the subsidiary's results.

BUSINESS REVIEW

The first half of 2011 saw the continued difficult trading conditions carried forward from 2010 with the recession still having significant impact. During the second half of 2011 the local tram issue deteriorated once more with the commencement of trams works on Princes Street and latterly in St Andrew Square. However, our strategy of identifying key areas of profit potential as well as continued cost cutting bore fruit during the year. We are satisfied with the year end consolidated position, especially in comparison with the previous year.

Customer choice and product innovation together with creativity in our kitchens and menus are at the heart of what we do in the Elm Row shop, Foodhalls, Caffe Bar and VinCaffè restaurant. During 2011 we further consolidated our position as one of the premier outlets for Scottish artisan food products in our two Foodhall concessions in House of Fraser. There are ongoing discussions with regard to a link between the Valvona & Crolla e-commerce site and that of House of Fraser with emphasis on Valvona & Crolla gift products within House of Fraser in tandem with the Jenners brand.

On 26 August 2011 the company bought back and cancelled 1800 B Ordinary shares. For the avoidance of doubt, the company is fully owned by Philip, Mary and Francesca Contini. This buy back was partially funded by a Director's loan. During the year, £140,720 of the group debt was repaid.THE YEAR AHEAD

We believe that trading in both 2012 and 2013 will continue to be challenging. Nonetheless, with our costs in check and being continually monitored, and with prudent buying and well negotiated supplier terms of credit as well as an excellent relationship with our bankers, we are confident that with customer choice and service at the core of all that we do we will continue to grow the Valvona & Crolla brand.

At the time of writing the company has just negotiated the opening of a third Foodhall site within House of Fraser at the Frasers store, West End, Edinburgh. A further substantial project with House of Fraser is under negotiations. Our e-commerce site is in the final period of redevelopment and subsequent re-launch in the Autumn of 2012.

RESULTS AND DIVIDENDS

The consolidated profit and loss account for the year is set out on page 5.

DIRECTORS

The following directors have held office since 1 February 2011:

P Contini	
M Contini	
F M Contini	
M A Gifford	(Resigned 26 August 2011)
J King	(Resigned 26 August 2011)
N Oddy	(Resigned 26 August 2011)

VALVONA & CROLLA LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2012

	2012 £	2011 £
During the year the group made the following payments:		
Charitable donations	5,919	4,570

The recipients and amounts of the charitable donations are as follows:
Sisters of Mercy £1,800
Donaldson £1,620
Archdiocese of Glasgow £30
Archdiocese of St Andrews & Edinburgh £400
Holyrood School £200
Italian Institute £75
Lifeline £50
Lothian Hospitals £100
Piggy Bank Kids £50
RNLI £100
S Ballingall £150
St Columbas £850
St Georges £130
UTS £64
Wine Relief £300

AUDITORS

A resolution to reappoint Baker Tilly UK Audit LLP as auditors will be put to the members at the Annual General Meeting.

STATEMENT OF DISCLOSURE TO AUDITORS

The directors who are 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 auditors are 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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

On behalf of the board

P Contini
DIRECTOR

21 September 2012

Valvona & Crolla Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 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 judgments and accounting estimates that are reasonable and prudent;

c. 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 the 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 VALVONA & CROLLA LIMITED

We have audited the group and parent company financial statements (the "financial statements") on pages 5 to 22. 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 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 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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 31 January 2012 and the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER 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.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.

Baker Tilly UK Audit LLP

JANET HAMBLIN (Senior Statutory Auditor)
for and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
First Floor, Quay 2
139 Fountainbridge
EDINBURGH

25 September 2012

VALVONA & CROLLA LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2012

	Notes	2012 £	2011 £
TURNOVER	2		
Continuing operations		4,506,550	4,589,369
Cost of sales		(1,882,610)	(1,980,617)
GROSS PROFIT		2,623,940	2,608,752
Administrative expenses		(2,506,137)	(2,621,469)
OPERATING PROFIT/(LOSS)	3	117,803	(12,717)
Gain/(Loss) on sale of tangible assets		1,785	(60)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST		119,588	(12,777)
Other interest receivable and similar income		15	46
Interest payable and similar charges	4	(34,039)	(34,441)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		85,564	(47,172)
Tax (Charge)/Credit on profit/(loss) on ordinary activities	5	(47,501)	4,207
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	17	38,063	(42,965)

There are no recognised gains and losses other than those passing through the profit and loss account.
All of the group's activities are continuing.

Company Registration No. SC018060

VALVONA & CROLLA LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2012

	Notes	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
FIXED ASSETS					
Intangible assets	7	(40,677)	(45,762)	-	-
Tangible assets	8	2,289,117	2,523,553	1,734,435	1,898,013
Investments	9	-	-	1	1
		2,248,440	2,477,791	1,734,436	1,898,014
CURRENT ASSETS					
Stocks	10	499,971	457,493	472,031	427,025
Debtors	11	149,164	173,816	389,166	398,809
Cash at bank and in hand		356,426	419,533	255,786	393,717
		1,005,561	1,050,842	1,116,983	1,219,551
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(1,138,839)	(1,201,657)	(928,715)	(1,032,883)
NET CURRENT (LIABILITIES)/ASSETS		(133,278)	(150,815)	188,268	186,668
TOTAL ASSETS LESS CURRENT LIABILITIES		2,115,162	2,326,976	1,922,704	2,084,682
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	(718,571)	(598,825)	(575,134)	(393,263)
PROVISIONS FOR LIABILITIES	14	(144,289)	(122,301)	(79,198)	(50,582)
		1,252,302	1,605,850	1,268,372	1,640,837
CAPITAL AND RESERVES					
Called up share capital	16	1,800	3,600	1,800	3,600
Capital redemption reserve	17	1,800	-	1,800	-
Share premium account	17	256,562	256,562	256,562	256,562
Revaluation reserve	17	855,891	873,720	855,891	873,720
Profit and loss account	17	136,249	471,968	152,319	506,955
SHAREHOLDERS' FUNDS	18	1,252,302	1,605,850	1,268,372	1,640,837

The financial statements on pages 5 to 22 were approved by the board of directors and authorised for issue on ~~xx~~ 2012, 21 September 2012 and are signed on its behalf by:

P Contini
Director

Valvona & Crolla Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 January 2012

1 ACCOUNTING POLICIES

1.1 ACCOUNTING CONVENTION AND GOING CONCERN

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and leasehold properties.

The accounts for the year ending 31 January 2012 have been prepared on a going concern basis. The group had net current liabilities of £133,278 (2011 current liabilities: £150,815) at 31 January 2012, and the company had net current assets of £188,268 (2011 £186,669). Overall the group has net assets of £1.25m. The directors are satisfied that a going concern basis is appropriate, based on the prudent cash flow forecast prepared for the next 2 years and discussed with their bank which indicate that the group can operate within the current group bank overdraft facility of £335,000. The bank facility has recently been extended through until October 2013.

1.2 COMPLIANCE WITH ACCOUNTING STANDARDS

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

1.3 BASIS OF CONSOLIDATION

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 January 2012. The results of subsidiaries acquired are included in the profit and loss account from the date control passes, i.e. 7 August 2009. Intra-group sales and profits are eliminated fully on consolidation.

1.4 TURNOVER

Turnover in the Profit and Loss account represents amounts invoiced in the year, exclusive of VAT. The majority of sales are on a cash basis rather than an invoice basis.

1.5 GOODWILL AND INVESTMENTS

Goodwill arising on consolidation represents the difference between the aggregate of the fair values of the identifiable assets and liabilities acquired and the fair value of the consideration given. This goodwill is capitalised and amortised through the profit and loss on a straight line basis over its useful life of 10 years.
Investments in subsidiary undertakings held as fixed assets are stated at cost less amortisation, less any provisions for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairments are calculated such that the carrying value of the fixed asset investment is the lower of its cost or recoverable amount. Recoverable amount is the higher of its net realisable value and its value in use.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Buildings Freehold	2% straight line
Buildings Leasehold	6.67% straight line
Plant and machinery	10-25% straight line
Computer equipment	25% straight line
Fixtures, fittings & equipment	10-20% reducing balance
Motor vehicles	25% reducing balance
Tenant's improvements	16.6% - 20% straight line

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

1 ACCOUNTING POLICIES CONTINUED

1.77 LEASING AND HIRE PURCHASE COMMITMENTS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term. Where a rent free period is granted the lease payments are treated under UITF 28 so that the incentive is allocated to match the effect of the increased rentals payable in later periods, so that the financial statements reflect the true effective rental for the premises, irrespective of the particular cash flow arrangements agreed between the parties.

1.8 INVESTMENTS

Long term investments are classified as fixed assets.

Fixed asset investments are unlisted and stated at cost in the company balance sheet. Provision is made for any impairment in the value of fixed asset investments.

1.9 STOCK

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

1.10 PENSIONS

The group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.11 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 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.

1.12 DEFERRED INCOME

Capital contributions received in respect of leasehold property are treated as deferred income and released over the period of the lease in accordance with UITF 28 "Operating lease incentives".

1.13 FOREIGN CURRENCY TRANSLATION

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

2 TURNOVER

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 OPERATING PROFIT/(LOSS)

	2012	2011
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	241,152	243,870
Operating lease rentals		
- Land and buildings	100,254	104,845
Fees payable to the group's auditor for the audit of the group's annual accounts (Company £6,400; 2011: £8,650)	11,200	14,900
and after crediting:		
Release of negative goodwill	(5,085)	(5,085)
Profit on foreign exchange transactions	(1,933)	(5,559)

4 INTEREST PAYABLE

	2012	2011
	£	£
On bank loans and overdrafts	30,641	33,165
Hire purchase interest	3,398	1,276
	34,039	34,441

5 TAXATION

	2012	2011
	£	£
DOMESTIC CURRENT YEAR TAX		
U.K. corporation tax charge	25,513	825
CURRENT TAX CHARGE	25,513	825
DEFERRED TAX		
Deferred tax charge/(credit) current year	21,988	(5,032)
	21,988	(5,032)
TOTAL TAX CHARGE/(CREDIT)	47,501	(4,207)
FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR		
Profit/(Loss) on ordinary activities before taxation	85,564	(47,172)
Profit/(Loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2011 - 21.00%)	17,968	(9,906)
Effects of:		
Non-deductible expenses	28,771	12,335
Capital allowances	7,673	25,649
Adjustments to previous periods	-	-
Utilisation of Tax losses	(29,383)	-
Other tax adjustments	484	(27,253)
	7,545	10,731
CURRENT TAX CHARGE/(CREDIT)	25,513	825

6 PROFIT FOR THE FINANCIAL YEAR

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2012	2011
	£	£
Holding company's profit/(loss) for the financial year	19,146	(3,691)

7 INTANGIBLE FIXED ASSETS

GROUP

	Goodwill £
COST	
At 1 February 2011 & at 31 January 2012	(50,847)
AMORTISATION	
At 1 February 2011	5,085
Release for the year	5,085
At 31 January 2012	10,170
NET BOOK VALUE	
At 31 January 2012	(40,677)
At 31 January 2011	(45,762)

8 TANGIBLE FIXED ASSETS

GROUP

	Buildings Freehold	Tenant's improvements	Buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
COST OR VALUATION							
At 1 February 2011	1,365,000	593,134	850,173	412,391	879,065	13,945	4,113,708
Additions	-	-	-	4,832	3,349	-	8,181
Disposals	-	-	-	-	-	(5,995)	(5,995)
At 31 January 2012	1,365,000	593,134	850,173	417,223	882,414	7,950	4,115,894
DEPRECIATION							
At 1 February 2011	101,969	245,870	353,675	314,523	564,658	9,460	1,590,155
On disposals	-	-	-	-	-	(4,530)	(4,530)
Charge for the year	27,300	107,674	56,708	20,256	28,779	435	241,152
At 31 January 2012	129,269	353,544	410,383	334,779	593,437	5,365	1,832,777
NET BOOK VALUE							
At 31 January 2012	1,235,731	239,590	439,790	82,444	288,977	2,585	2,289,117
At 31 January 2011	1,263,031	347,264	496,498	97,868	314,407	4,485	2,523,553

Interests in freehold buildings were valued in October 2008 at £1,365,000 on an open market basis by Allied Surveyors, an independent firm of Chartered Surveyors. The directors are satisfied there's no material change in this valuation. The historic cost of the revalued properties at 31 January 2012 is £469,000.

Included above are assets held under finance leases or hire purchase contracts as follows:

	Tenant's Improvements	Total
	£	£
NET BOOK VALUES		
At 31 January 2012	97,732	97,730
At 31 January 2011	150,643	150,643
DEPRECIATION CHARGE FOR THE YEAR		
31 January 2012	52,911	52,911
31 January 2011	52,911	52,911

TANGIBLE FIXED ASSETS (CONTINUED)

COMPANY

	Buildings Freehold	Tenant's improvements	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
COST OR VALUATION						
At 1 February 2011	1,365,000	593,134	229,253	769,976	5,995	2,963,358
Additions	-	-	641	3,349	-	3,990
Disposals	-	-	-	-	(5,995)	(5,995)
At 31 January 2012	1,365,000	593,134	229,894	773,325	-	2,961,353
DEPRECIATION						
At 1 February 2011	101,969	245,870	225,317	488,094	4,095	1,065,345
On disposals	-	-	-	-	(4,530)	(4,530)
Charge for the year	27,300	107,674	1,918	28,776	435	166,103
At 31 January 2012	129,269	353,544	227,235	516,870	-	1,226,918
NET BOOK VALUE						
At 31 January 2012	1,235,731	239,590	2,659	256,455	-	1,734,435
At 31 January 2011	1,263,031	347,264	3,936	281,882	1,900	1,898,013

Interests in freehold buildings were valued in October 2008 at £1,365,000 on an open market basis by Allied Surveyors, an independent firm of Chartered Surveyors. The directors are satisfied there's no material change in this valuation. The historic cost of the revalued properties at 31 January 2012 is £469,000.

Included above are assets held under finance leases or hire purchase contracts as follows:

	Tenant's Improvement	Total
	£	£
NET BOOK VALUES		
At 31 January 2012	97,730	97,730
At 31 January 2011	150,641	150,641
DEPRECIATION CHARGE FOR THE YEAR		
31 January 2012	52,911	52,911
31 January 2011	52,911	52,911

9 FIXED ASSET INVESTMENTS

COMPANY

	Shares in group undertakings
	£
COST OR VALUATION	
At 1 February 2011 & at 31 January 2012	1
NET BOOK VALUE	
At 31 January 2012	1
At 31 January 2011	1

In the opinion of the directors, the aggregate value of the company's investment in the subsidiary undertaking is not less than the amount included in the balance sheet.

HOLDINGS OF MORE THAN 20%

The company holds more than 20% of the share capital of the following company:

COMPANY	Country of registration	Shares held class and %	
SUBSIDIARY UNDERTAKING			
Elm Row Productions Ltd	Scotland	Ordinary	100

The principal activity of this undertaking for the last relevant financial year was as follows:

	PRINCIPAL ACTIVITY
Elm Row Productions Ltd	Restaurateurs

Elm Row Productions Limited is included in these Consolidated accounts of Valvona & Crolla Limited.

10 STOCKS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Finished goods and goods for resale	499,971	457,493	472,031	427,025

11 DEBTORS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	106,125	129,287	106,125	129,287
Other debtors	2,553	3,954	98	98
Prepayments and accrued income	40,486	40,575	16,171	15,939
Amounts owed by group undertakings	-	-	266,772	253,485
	149,164	173,816	389,166	398,809

12 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	20121	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts (Note 13)	499,687	139,106	437,563	79,352
Net obligations under finance lease and hire purchase contracts	35,499	48,948	35,499	48,948
Trade creditors	399,525	491,532	342,427	446,289
Corporation tax	25,513	825	9,491	10
Taxes and social security costs	117,004	108,935	61,976	62,389
Directors current accounts	-	350,000	-	350,000
Other creditors	-	4,603	-	4,603
Accruals and deferred income	61,611	57,708	41,759	41,292
	1,138,839	1,201,657	928,715	1,032,883

13 CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Director's Loans	300,000	-	300,000	-
Bank loans	418,571	559,290	275,134	353,728
Net obligations under finance leases and hire purchase agreements	-	39,535	-	39,535
	718,571	598,825	575,134	393,263

The Director's loans will not be repaid within the next 12 months and are interest free.

ANALYSIS OF LOANS
Not wholly repayable within five years by instalments:

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Instalments not due within five years	-	15,515	-	15,515
Wholly repayable within five years	859,289	682,881	653,728	417,565
	859,289	698,396	653,728	433,080
Included in current liabilities	(140,718)	(139,106)	(78,594)	(79,352)
	718,571	559,290	575,134	353,728
Instalments not due within five years	-	15,515	-	15,515

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
LOAN MATURITY ANALYSIS				
In more than one year but not more than two years	147,221	140,719	82,537	78,594
In more than two years but not more than five years	271,348	403,056	192,595	259,618
In more than five years	-	15,515	-	15,515

The bank loans are secured by a floating charge over all the assets of the company, and a standard security over the company's heritable property. The loan is repayable by equal monthly instalments at 4.71% fixed rate. Sums outstanding to the bank are also secured by a personal guarantee from the directors up to the sum of £35,499 at 31 January 2012 (2011: £88,483) which is valuing pound for pound in line with capital repayment on the hire purchase balance. This personal guarantee was released after the year end. Hire purchase creditors are secured over the assets to which they relate.
The company provided a guarantee for a £50,000 overdraft facility of its subsidiary company Elm Row Productions Limited. As at 31 January 2012, the bank account of Elm Row Productions Limited was not overdrawn and the balance held was £92,095.

13 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR (CONTINUED)

NET OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Repayable within one year	39,535	48,948	39,535	48,948
Repayable between one and five years	-	39,535	-	39,535
	39,535	88,483	39,535	88,483
	39,535	88,483	39,535	88,483
Included in liabilities falling due within one year	(39,535)	(48,948)	(39,535)	(48,948)
	-	39,535	-	39,535

14 PROVISIONS FOR LIABILITIES

GROUP

	Deferred taxation £
Balance at 1 February 2011	122,301
Profit and loss account (Note 5)	21,988
Balance at 31 January 2012	144,289

COMPANY

Balance at 1 February 2011	50,582
Profit and loss account	28,616
Balance at 31 January 2012	79,198

THE DEFERRED TAX LIABILITY IS MADE UP AS FOLLOWS:

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Accelerated capital allowances	144,289	175,060	79,198	80,181
Tax losses available	-	(47,727)	-	(29,599)
	144,289	127,333	79,198	50,582

There is currently no intention to sell the freehold buildings and hence no deferred tax has been provided in this respect.

15 PENSION AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS

DEFINED CONTRIBUTION

	2012 £	2011 £
Contributions payable by the group for the year	500	8,430

16 SHARE CAPITAL

	2012	2011
	£	£
AUTHORISED		
1,800 Ordinary shares class A of £1 each	1,800	1,800
1,800 Ordinary shares class B of £1 each	-	1,800
	1,800	3,600
ALLOTTED, CALLED UP AND FULLY PAID		
1,800 Ordinary shares class A of £1 each	1,800	1,800
1,800 Ordinary shares class B of £1 each	-	1,800
	1,800	3,600

17 STATEMENT OF MOVEMENTS ON RESERVES

GROUP

	Capital Redemption Reserve	Share premium account	Revaluation reserve	Profit and loss account
	£	£	£	£
Balance at 1 February 2011	-	256,562	873,720	471,968
Profit for the year	-	-	-	38,063
Transfer from revaluation reserve to profit and loss account	-	-	(17,829)	17,829
Cancellation of shares	1,800	-	-	(391,611)
Balance at 31 January 2012	1,800	256,562	855,891	136,249

COMPANY

	Capital Redemption Reserve	Share premium account	Revaluation reserve	Profit and loss account
	£	£	£	£
Balance at 1 February 2011	-	256,562	873,720	506,955
Profit for the year	-	-	-	19,146
Transfer from revaluation reserve to profit and loss account	-	-	(17,829)	17,829
Cancellation of shares	1,800	-	-	(391,611)
Balance at 31 January 2012	1,800	256,562	855,891	152,319

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

GROUP	2012 £	2011 £
Profit/(Loss) for the financial year	38,063	(42,965)
Cancellation of shares	(391,611)	-
Net (depletion in) shareholders' funds	(353,548)	(42,965)
Opening shareholders' funds	1,605,850	1,648,815
Closing shareholders' funds	1,252,302	1,605,850

COMPANY	2012 £	2011 £
Profit/(Loss) for the financial year	19,146	(3,691)
Cancellation of Shares	(391,611)	-
Net (depletion in) shareholders' funds	(372,465)	(3,691)
Opening shareholders' funds	1,640,837	1,644,528
Closing shareholders' funds	1,268,372	1,640,837

19 FINANCIAL COMMITMENTS

At 31 January 2012 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2012 £	Land and buildings 2011 £
Expiry date:		
Between two and five years	48,850	45,850
In over five years	86,100	143,500
	134,950	189,350

At 31 January 2012 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2012 £	Land and buildings 2011 £
Expiry date:		
Between two and five years	48,850	45,850
	48,850	45,850

21 DIRECTORS' EMOLUMENTS

	2012	2011
	£	£
Emoluments for qualifying services	260,641	215,854
Company pension contributions to money purchase schemes	500	8,430
	261,141	224,284

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2010- 2).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	96,907	98,689
Company pension contributions to money purchase schemes	250	6,930

22 EMPLOYEES

NUMBER OF EMPLOYEES
The average monthly number of employees (including directors) during the year was:

	2012	2011
	Number	Number
Valvona & Crolla at Elm Row	42	47
Valvona & Crolla in Jenners	13	16
Valvona & Crolla at Lomond	6	7
Elm Row Productions t/a VinCaffe	28	29
	89	99

EMPLOYMENT COSTS	2012	2011
	£	£
Wages and salaries	1,132,490	1,232,018
Social security costs	83,064	104,600
Other pension costs	500	8,430
	1,216,054	1,345,048

22 CONTROL

The ultimate controlling party of Valvona & Crolla Limited is Mr P Contini.

23 RELATED PARTY TRANSACTIONS

GROUP AND COMPANY

The group has taken advantage of the available FRS 8 exemption not to disclose related party transactions between the parent and the wholly owned subsidiary.

Properties owned by Mr and Mrs Contini's executive pension are being rented to the company through an operating lease agreement expiring in 2014. The rent charged under this rental agreement is at a market value of £48,850 per annum.

During the year, the directors drew down £50,000 on the loan they provided to the company in the previous year. The loan is interest free and repayable on demand subject to a letter of postponement to the bank. As at 31 January 2012, amounts due to directors totalled £300,000 (2011: £350,000).