

REGISTERED NUMBER. 75521 (Scotland)

Abbreviated Accounts
for the Year Ended 30 April 2007
for
Chardon Trading Limited

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Chardon Trading Limited

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for the Year Ended 30 April 2007**

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Chardon Trading Limited
Company Information
for the Year Ended 30 April 2007

DIRECTORS: Mr Maurice Vincent Taylor
Mrs Frances Una Taylor

SECRETARY. Mr Adam Inglis Armstrong

REGISTERED OFFICE. Victoria Chambers
142 West Nile Street
Glasgow
G1 2RQ

REGISTERED NUMBER: 75521 (Scotland)

AUDITORS: Stevenson & Kyles
Chartered Accountants
Registered Auditor
25 Sandyford Place
Glasgow
G3 7NJ

Chardon Trading Limited

Report of the Directors for the Year Ended 30 April 2007

The directors present their report with the accounts of the company for the year ended 30 April 2007

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of consultancy services and property rentals

REVIEW OF BUSINESS

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

The company holds the entire share capital of Chardon Leisure Ltd and Ingliston Hotels Ltd, two companies which own and operate hotels. The review of business is contained within each company's statutory accounts

The company also holds the entire share capital of Chardon Properties Ltd, which receives rent from the land occupied by the hotels owned by Chardon Leisure Ltd

DIVIDENDS

An interim dividend of 11 547 pence per share was paid on 20 February 2007. The total distribution of dividends for the year was £100,000

FUTURE DEVELOPMENTS

The directors will continue to investigate further business opportunities to enable the company and its subsidiaries to achieve future growth

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2006 to the date of this report

Mr Maurice Vincent Taylor
Mrs Frances Una Taylor

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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). The financial statements are required by law to 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 these financial statements, the directors are required to

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

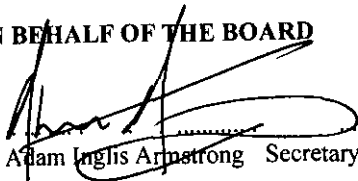
Chardon Trading Limited

**Report of the Directors
for the Year Ended 30 April 2007**

AUDITORS

The auditors, Stevenson & Kyles, will be proposed for re appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD


Mr Adam Inglis Armstrong Secretary

Date

7th January 2008

**Report of the Independent Auditors to
Chardon Trading Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages five to sixteen, together with the financial statements of Chardon Trading Limited for the year ended 30 April 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



Stevenson & Kyles
Chartered Accountants
Registered Auditor
25 Sandyford Place
Glasgow
G3 7NJ

Date *12th February 2008*

Chardon Trading Limited

**Abbreviated Profit and Loss Account
for the Year Ended 30 April 2007**

	Notes	30 4 07 £	£	30 4 06 £	£
GROSS PROFIT			19,355		19,150
Administrative expenses			25,569		52,369
OPERATING LOSS	3		(6,214)		(33,219)
Income from fixed asset investments		150,000		1,240,550	
Interest receivable and similar income		779,368		383,358	
			929,368		1,623,908
			923,154		1,590,689
Interest payable and similar charges	4		778,638		631,696
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			144,516		958,993
Tax on profit on ordinary activities	5				(2,796)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			144,516		961,789

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

The notes form part of these abbreviated accounts

Chardon Trading Limited

**Statement of Total Recognised Gains and Losses
for the Year Ended 30 April 2007**

	30 4 07	30 4 06
	£	£
PROFIT FOR THE FINANCIAL YEAR	144,516	961,789
Revaluation of investment property	5,000	
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>149,516</u>	<u>961,789</u>

The notes form part of these abbreviated accounts

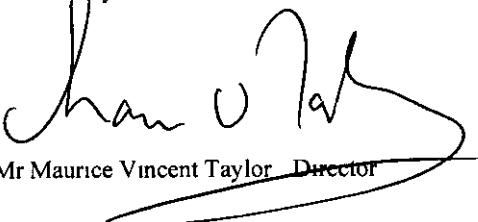
Chardon Trading Limited

**Abbreviated Balance Sheet
30 April 2007**

	Notes	30 4 07 £	£	30 4 06 £	£
FIXED ASSETS					
Investments	7		9,128,361		9,128,361
Investment property	8		55,000		50,000
			<u>9,183,361</u>		<u>9,178,361</u>
CURRENT ASSETS					
Debtors	9	9,852,834		12,465,759	
Cash at bank		1,547		6,407	
		<u>9,854,381</u>		<u>12,472,166</u>	
CREDITORS					
Amounts falling due within one year	10	2,027,033		4,765,765	
NET CURRENT ASSETS			<u>7,827,348</u>		<u>7,706,401</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			17,010,709		16,884,762
CREDITORS					
Amounts falling due after more than one year	11		10,362,777		10,286,346
NET ASSETS			<u>6,647,932</u>		<u>6,598,416</u>
CAPITAL AND RESERVES					
Called up share capital	14		866,000		866,000
Share premium	15		5,075,840		5,075,840
Revaluation reserve	15		5,000		
Profit and loss account	15		701,092		656,576
SHAREHOLDERS' FUNDS	16		<u>6,647,932</u>		<u>6,598,416</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies

The financial statements were approved by the Board of Directors on 07 - 02 - 2008 and were signed on its behalf by


Mr Maurice Vincent Taylor Director

The notes form part of these abbreviated accounts

Chardon Trading Limited

**Cash Flow Statement
for the Year Ended 30 April 2007**

	Notes	30 4 07 £	£	30 4 06 £	£
Net cash outflow from operating activities	1		(2,714)		(30,919)
Returns on investments and servicing of finance	2		140,619		1,076,697
Taxation	2				17,846
Equity dividends paid			(100,000)		(305,000)
			<u>37,905</u>		<u>758,624</u>
Financing	2		2,933,661		(4,929,684)
Increase/(Decrease) in cash in the period			<u>2,971,566</u>		<u>(4,171,060)</u>
Reconciliation of net cash flow to movement in net debt	3				
Increase/(Decrease) in cash in the period		2,971,566		(4,171,060)	
Cash inflow from increase in debt		<u>(76,431)</u>		<u>(8,461,346)</u>	
Change in net debt resulting from cash flows			<u>2,895,135</u>		<u>(12,632,406)</u>
Movement in net debt in the period			2,895,135		(12,632,406)
Net debt at 1 May			<u>(14,937,652)</u>		<u>(2,305,246)</u>
Net debt at 30 April			<u>(12,042,517)</u>		<u>(14,937,652)</u>

The notes form part of these abbreviated accounts

Chardon Trading Limited

**Notes to the Cash Flow Statement
for the Year Ended 30 April 2007**

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

	30 4 07	30 4 06
	£	£
Operating loss	(6,214)	(33,219)
Increase in creditors	3,500	2,300
Net cash outflow from operating activities	<u>(2,714)</u>	<u>(30,919)</u>

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

	30 4 07	30 4 06
	£	£
Returns on investments and servicing of finance		
Interest received	779,368	383,358
Interest paid	(788,749)	(547,211)
Dividends received	150,000	1,240,550
Net cash inflow for returns on investments and servicing of finance	<u>140,619</u>	<u>1,076,697</u>
Taxation		
Taxation refund		17,846
Net cash inflow for taxation		<u>17,846</u>
Financing		
New loans in year	201,431	10,786,346
Loan repayments in year	(125,000)	(2,325,000)
Amount introduced by directors	~	75,000
Amount withdrawn by directors	(695)	(2,028,812)
Transactions with group undertakings	1,056,980	(7,519,507)
Transactions with associated companies	1,800,945	(3,917,711)
Net cash inflow/(outflow) from financing	<u>2,933,661</u>	<u>(4,929,684)</u>

The notes form part of these abbreviated accounts

Chardon Trading Limited

**Notes to the Cash Flow Statement
for the Year Ended 30 April 2007**

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 5 06 £	Cash flow £	At 30 4 07 £
Net cash			
Cash at bank	6,407	(4,860)	1,547
Bank overdrafts	(4,157,713)	2,976,426	(1,181,287)
	<u>(4,151,306)</u>	<u>2,971,566</u>	<u>(1,179,740)</u>
 Debt			
Debts falling due within one year	(500,000)		(500,000)
Debts falling due after one year	(10,286,346)	(76,431)	(10,362,777)
	<u>(10,786,346)</u>	<u>(76,431)</u>	<u>(10,862,777)</u>
 Total	<u>(14,937,652)</u>	<u>2,895,135</u>	<u>(12,042,517)</u>

The notes form part of these abbreviated accounts

Chardon Trading Limited

Notes to the Abbreviated Accounts for the Year Ended 30 April 2007

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets

Exemption from preparing consolidated financial statements

The financial statements contain information about Chardon Trading Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements

Turnover

Turnover represents net invoiced sales of services, excluding value added tax

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve

Deferred tax

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

2 STAFF COSTS

There were no staff costs for the year ended 30 April 2007 (2006 nil)

3 OPERATING LOSS

The operating loss is stated after charging

	30 4 07	30 4 06
	£	£
Auditors' remuneration	9,550	11,053
	<u> </u>	<u> </u>
Directors' emoluments	<u> </u>	<u> </u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	30 4 07	30 4 06
	£	£
Bank interest	146,175	130,532
Loan interest	632,463	501,164
	<u>778,638</u>	<u>631,696</u>

Chardon Trading Limited

Notes to the Abbreviated Accounts continued for the Year Ended 30 April 2007

5 TAXATION

Analysis of the tax credit

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

	30 4 07 £	30 4 06 £
Current tax		
UK corporation tax		(2,796)
Tax on profit on ordinary activities		(2,796)

UK corporation tax has been charged at 30%

Factors affecting the tax credit

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

	30 4 07 £	30 4 06 £
Profit on ordinary activities before tax	144,516	958,993
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	43,355	287,698
Effects of		
Income disallowed	(45,000)	(372,165)
Group relief	714	61,649
Expenses disallowed	2,678	1,256
Adjustment to previous years		(2,796)
Creation/ utilisation of tax losses	(1,747)	21,562
Current tax credit		(2,796)

6 DIVIDENDS

	30 4 07 £	30 4 06 £
Ordinary shares of £1 each		
Final		225,000
Interim	100,000	80,000
	100,000	305,000

Chardon Trading Limited

Notes to the Abbreviated Accounts continued for the Year Ended 30 April 2007

7 FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 May 2006	
and 30 April 2007	<u>9,128,361</u>
NET BOOK VALUE	
At 30 April 2007	<u>9,128,361</u>
At 30 April 2006	<u>9,128,361</u>

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

Ingliston Hotels Limited

Country of incorporation Scotland

Nature of business Owning and operating hotels

	% holding		
Class of shares	100 00		
Ordinary		30 4 07	30 4 06
		£	£
Aggregate capital and reserves		5,409,597	5,152,237
Profit for the year		<u>257,360</u>	<u>136,273</u>

Chardon Properties Limited

Country of incorporation Scotland

Nature of business The development and selling of real estate

	% holding		
Class of shares	100 00		
Ordinary		30 4 07	30 4 06
		£	£
Aggregate capital and reserves		2,721,759	2,723,000
Profit for the year		<u>148,759</u>	<u>194,096</u>

Chardon Leisure Limited

Country of incorporation Scotland

Nature of business Owning and operating hotels

	% holding		
Class of shares	100 00		
Ordinary		30 4 07	30 4 06
		£	£
Aggregate capital and reserves		12,435,789	12,406,961
Profit for the year		<u>28,828</u>	<u>55,648</u>

Chardon Trading Limited

**Notes to the Abbreviated Accounts continued
for the Year Ended 30 April 2007**

8 INVESTMENT PROPERTY

	Total £
COST OR VALUATION	
At 1 May 2006	50,000
Revaluations	<u>5,000</u>
At 30 April 2007	<u>55,000</u>
NET BOOK VALUE	
At 30 April 2007	<u>55,000</u>
At 30 April 2006	<u>50,000</u>

Cost or valuation at 30 April 2007 is represented by

	£
Valuation in 2007	5,000
Cost	<u>50,000</u>
	<u>55,000</u>

If investment property had not been revalued it would have been included at the following historical cost

	30 4 07 £	30 4 06 £
Cost	<u>50,000</u>	<u>50,000</u>

Investment property was valued on an open market basis on 11 December 2006 by McVicar, Chartered Surveyors

9 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 4 07 £	30 4 06 £
Amounts owed by group undertakings	7,482,744	8,548,048
Prepayments	8,324	
Sundry debtors	<u>2,361,766</u>	<u>3,917,711</u>
	<u>9,852,834</u>	<u>12,465,759</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 4 07 £	30 4 06 £
Bank loans and overdrafts (see note 12)	1,681,287	4,657,713
Other creditors	245,000	
Directors' loan accounts		695
Accrued expenses	<u>100,746</u>	<u>107,357</u>
	<u>2,027,033</u>	<u>4,765,765</u>

Chardon Trading Limited

**Notes to the Abbreviated Accounts continued
for the Year Ended 30 April 2007**

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 4 07	30 4 06
	£	£
Bank loans (see note 12)	<u>10,362,777</u>	<u>10,286,346</u>

The bank loan is repayable by instalments over a period of fifteen years Interest is charged at the rate of base +1%

12 LOANS

An analysis of the maturity of loans is given below

	30 4 07	30 4 06
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	1,181,287	4,157,713
Bank loan	<u>500,000</u>	<u>500,000</u>
	<u>1,681,287</u>	<u>4,657,713</u>
Amounts falling due between one and two years		
Bank loan	<u>525,000</u>	<u>500,000</u>
Amounts falling due between two and five years		
Bank loan	<u>1,862,500</u>	<u>1,850,000</u>
Amounts falling due in more than five years		
Repayable by instalments		
Bank loan	<u>7,975,277</u>	<u>7,936,346</u>

13 SECURED DEBTS

The following secured debts are included within creditors

	30 4 07	30 4 06
	£	£
Bank overdrafts	1,181,287	4,157,713
Bank loans	<u>10,862,777</u>	<u>10,786,346</u>
	<u>12,044,064</u>	<u>14,944,059</u>

Cross guarantees exist between the company and the other three group companies, supported by a bond and floating charge from each of the companies and existing shareholders worth £26.93 million There is also a charge over a £500,000 policy on the life of Mr M V Taylor, one of the directors

Chardon Trading Limited

**Notes to the Abbreviated Accounts continued
for the Year Ended 30 April 2007**

14 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value £1	30 4 07 £	30 4 06 £
1,000,000	Ordinary		<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid Number	Class	Nominal value £1	30 4 07 £	30 4 06 £
866,000	Ordinary		<u>866,000</u>	<u>866,000</u>

15 RESERVES

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 May 2006	656,576	5,075,840		5,732,416
Profit for the year	144,516			144,516
Dividends	(100,000)			(100,000)
Revaluation in period			5,000	5,000
At 30 April 2007	<u>701,092</u>	<u>5,075,840</u>	<u>5,000</u>	<u>5,781,932</u>

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 4 07 £	30 4 06 £
Profit for the financial year	144,516	961,789
Dividends	(100,000)	(305,000)
	<u>44,516</u>	<u>656,789</u>
Other recognised gains and losses relating to the year (net)	5,000	
Net addition to shareholders' funds	<u>49,516</u>	<u>656,789</u>
Opening shareholders' funds	6,598,416	5,941,627
Closing shareholders' funds	<u>6,647,932</u>	<u>6,598,416</u>