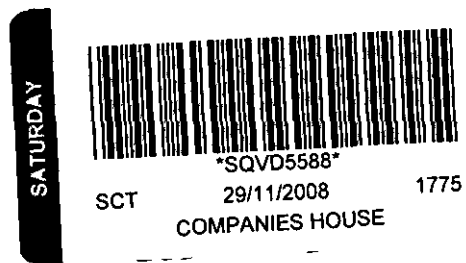


**Abbreviated Accounts**  
**for the Year Ended 30 April 2008**  
**for**  
**Chardon Trading Limited**



# **Chardon Trading Limited**

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**Chardon Trading Limited**  
**Company Information**  
**for the Year Ended 30 April 2008**

**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 2008**

The directors present their report with the accounts of the company for the year ended 30 April 2008

#### **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 26 October 2007 and a final dividend of 13p per share was paid on 30 April 2008. The total distribution of dividends for the year was £212,580.

#### **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 2007 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.

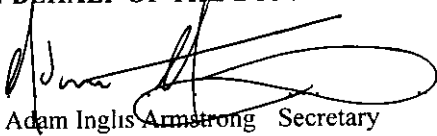
**Chardon Trading Limited**

**Report of the Directors  
for the Year Ended 30 April 2008**

**AUDITORS**

The auditors, Stevenson & Kyles, will be proposed for re appointment at the forthcoming Annual General Meeting

**ON BEHALF OF THE BOARD**

A handwritten signature in black ink, appearing to read 'Adam Inglis Armstrong', written over a horizontal line.

Mr Adam Inglis Armstrong Secretary

Date 17<sup>th</sup> November 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 fifteen, together with the financial statements of Chardon Trading Limited for the year ended 30 April 2008 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 24th NOVEMBER 2008

**Chardon Trading Limited**

**Abbreviated Profit and Loss Account  
for the Year Ended 30 April 2008**

|                                                          | Notes | 30 4 08 | 30 4 07 |
|----------------------------------------------------------|-------|---------|---------|
|                                                          |       | £       | £       |
| <b>GROSS PROFIT</b>                                      |       | 907,512 | 19,355  |
| Administrative expenses                                  |       | 848,312 | 25,569  |
| <b>OPERATING PROFIT/(LOSS)</b>                           | 3     | 59,200  | (6,214) |
| Income from fixed asset investments                      |       | 100,000 | 150,000 |
| Interest receivable and similar income                   |       | 522,426 | 779,368 |
|                                                          |       | 622,426 | 929,368 |
|                                                          |       | 681,626 | 923,154 |
| Interest payable and similar charges                     | 5     | 606,583 | 778,638 |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> |       | 75,043  | 144,516 |
| Tax on profit on ordinary activities                     | 6     |         |         |
| <b>PROFIT FOR THE FINANCIAL YEAR<br/>AFTER TAXATION</b>  |       | 75,043  | 144,516 |

**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 2008**

|                                                                   | 30 4 08<br>£      | 30 4 07<br>£   |
|-------------------------------------------------------------------|-------------------|----------------|
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                              | 75,043            | 144,516        |
| Revaluation of investment property                                | <u>          </u> | <u>5,000</u>   |
| <b>TOTAL RECOGNISED GAINS AND LOSSES<br/>RELATING TO THE YEAR</b> | <u>75,043</u>     | <u>149,516</u> |

The notes form part of these abbreviated accounts

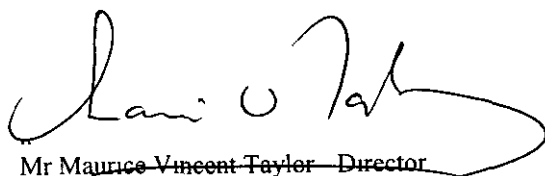
**Chardon Trading Limited**

**Abbreviated Balance Sheet  
30 April 2008**

|                                              |       | 30 4 08          |                  | 30 4 07          |                   |
|----------------------------------------------|-------|------------------|------------------|------------------|-------------------|
|                                              | Notes | £                | £                | £                | £                 |
| <b>FIXED ASSETS</b>                          |       |                  |                  |                  |                   |
| Investments                                  | 8     |                  | 9,128,361        |                  | 9,128,361         |
| Investment property                          | 9     |                  |                  |                  | 55,000            |
|                                              |       |                  | <u>9,128,361</u> |                  | <u>9,183,361</u>  |
| <b>CURRENT ASSETS</b>                        |       |                  |                  |                  |                   |
| Debtors                                      | 10    | 9,275,436        |                  | 9,852,834        |                   |
| Cash at bank                                 |       | <u>22,428</u>    |                  | <u>1,547</u>     |                   |
|                                              |       | 9,297,864        |                  | 9,854,381        |                   |
| <b>CREDITORS</b>                             |       |                  |                  |                  |                   |
| Amounts falling due within one year          | 11    | <u>2,174,268</u> |                  | <u>2,027,033</u> |                   |
| <b>NET CURRENT ASSETS</b>                    |       |                  | <u>7,123,596</u> |                  | <u>7,827,348</u>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                  | 16,251,957       |                  | 17,010,709        |
| <b>CREDITORS</b>                             |       |                  |                  |                  |                   |
| Amounts falling due after more than one year | 12    |                  | <u>9,741,562</u> |                  | <u>10,362,777</u> |
| <b>NET ASSETS</b>                            |       |                  | <u>6,510,395</u> |                  | <u>6,647,932</u>  |
| <b>CAPITAL AND RESERVES</b>                  |       |                  |                  |                  |                   |
| Called up share capital                      | 15    |                  | 866,000          |                  | 866,000           |
| Share premium                                | 16    |                  | 5,075,840        |                  | 5,075,840         |
| Revaluation reserve                          | 16    |                  |                  |                  | 5,000             |
| Profit and loss account                      | 16    |                  | <u>568,555</u>   |                  | <u>701,092</u>    |
| <b>SHAREHOLDERS' FUNDS</b>                   | 17    |                  | <u>6,510,395</u> |                  | <u>6,647,932</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 17 November 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 2008**

|                                                                    | Notes | 30 4 08             | 30 4 07             |
|--------------------------------------------------------------------|-------|---------------------|---------------------|
|                                                                    |       | £                   | £                   |
| <b>Net cash inflow/(outflow)<br/>from operating activities</b>     | 1     | 68,985              | (2,714)             |
| <b>Returns on investments and<br/>servicing of finance</b>         | 2     | (4,059)             | 140,619             |
| <b>Equity dividends paid</b>                                       |       | (212,580)           | (100,000)           |
|                                                                    |       | <u>(147,654)</u>    | <u>37,905</u>       |
| <b>Financing</b>                                                   | 2     | 225,740             | 2,933,661           |
| <b>Increase in cash in the period</b>                              |       | <u>78,086</u>       | <u>2,971,566</u>    |
| <hr/>                                                              |       |                     |                     |
| <b>Reconciliation of net cash flow<br/>to movement in net debt</b> | 3     |                     |                     |
| Increase<br>in cash in the period                                  |       | 78,086              | 2,971,566           |
| Cash outflow/(inflow)<br>from decrease/(increase) in debt          |       | <u>596,215</u>      | <u>(76,431)</u>     |
| Change in net debt resulting<br>from cash flows                    |       | <u>674,301</u>      | <u>2,895,135</u>    |
| <b>Movement in net debt in the period</b>                          |       | 674,301             | 2,895,135           |
| <b>Net debt at 1 May</b>                                           |       | <u>(12,042,517)</u> | <u>(14,937,652)</u> |
| <b>Net debt at 30 April</b>                                        |       | <u>(11,368,216)</u> | <u>(12,042,517)</u> |

The notes form part of these abbreviated accounts

**Chardon Trading Limited**

**Notes to the Cash Flow Statement  
for the Year Ended 30 April 2008**

**1 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW)  
FROM OPERATING ACTIVITIES**

|                                                            | 30 4 08              | 30 4 07               |
|------------------------------------------------------------|----------------------|-----------------------|
|                                                            | £                    | £                     |
| Operating profit/(loss)                                    | 59,200               | (6,214)               |
| Increase in debtors                                        | (24,193)             |                       |
| Increase in creditors                                      | 33,978               | 3,500                 |
|                                                            | <u>68,985</u>        | <u>(2,714)</u>        |
| <b>Net cash inflow/(outflow) from operating activities</b> | <u><u>68,985</u></u> | <u><u>(2,714)</u></u> |

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

|                                                                                      | 30 4 08               | 30 4 07                 |
|--------------------------------------------------------------------------------------|-----------------------|-------------------------|
|                                                                                      | £                     | £                       |
| <b>Returns on investments and servicing of finance</b>                               |                       |                         |
| Interest received                                                                    | 522,426               | 779,368                 |
| Interest paid                                                                        | (626,485)             | (788,749)               |
| Dividends received                                                                   | 100,000               | 150,000                 |
|                                                                                      | <u>(4,059)</u>        | <u>140,619</u>          |
| <b>Net cash (outflow)/inflow for returns on investments and servicing of finance</b> | <u><u>(4,059)</u></u> | <u><u>140,619</u></u>   |
| <b>Financing</b>                                                                     |                       |                         |
| New loans in year                                                                    |                       | 201,431                 |
| Loan repayments in year                                                              | (596,215)             | (125,000)               |
| Amount withdrawn by directors                                                        |                       | (695)                   |
| Transactions with group undertakings                                                 | 821,108               | 1,056,980               |
| Transactions with associated companies                                               | 847                   | 1,800,945               |
|                                                                                      | <u>225,740</u>        | <u>2,933,661</u>        |
| <b>Net cash inflow from financing</b>                                                | <u><u>225,740</u></u> | <u><u>2,933,661</u></u> |

**3 ANALYSIS OF CHANGES IN NET DEBT**

|                                   | At 1 5 07                  | Cash flow             | At<br>30 4 08              |
|-----------------------------------|----------------------------|-----------------------|----------------------------|
|                                   | £                          | £                     | £                          |
| <b>Net cash</b>                   |                            |                       |                            |
| Cash at bank                      | 1,547                      | 20,881                | 22,428                     |
| Bank overdrafts                   | (1,181,287)                | 57,205                | (1,124,082)                |
|                                   | <u>(1,179,740)</u>         | <u>78,086</u>         | <u>(1,101,654)</u>         |
| <b>Debt</b>                       |                            |                       |                            |
| Debts falling due within one year | (500,000)                  | (25,000)              | (525,000)                  |
| Debts falling due after one year  | (10,362,777)               | 621,215               | (9,741,562)                |
|                                   | <u>(10,862,777)</u>        | <u>596,215</u>        | <u>(10,266,562)</u>        |
| <b>Total</b>                      | <u><u>(12,042,517)</u></u> | <u><u>674,301</u></u> | <u><u>(11,368,216)</u></u> |

The notes form part of these abbreviated accounts

# Chardon Trading Limited

## Notes to the Abbreviated Accounts for the Year Ended 30 April 2008

### 1 ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention

#### 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

#### Deferred tax

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

#### Pension costs and other post retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

### 2 STAFF COSTS

|                       | 30 4 08        | 30 4 07 |
|-----------------------|----------------|---------|
|                       | £              | £       |
| Wages and salaries    | 523,075        |         |
| Social security costs | 64,930         |         |
| Other pension costs   | 244,937        |         |
|                       | <u>832,942</u> | <u></u> |

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

|                | 30 4 08  | 30 4 07 |
|----------------|----------|---------|
| Administrative | <u>5</u> | <u></u> |

### 3 OPERATING PROFIT/(LOSS)

The operating profit (2007 operating loss) is stated after charging

|                                                            | 30 4 08        | 30 4 07      |
|------------------------------------------------------------|----------------|--------------|
|                                                            | £              | £            |
| Auditors' remuneration                                     | <u>6,750</u>   | <u>9,550</u> |
| Directors' emoluments                                      | 337,222        |              |
| Directors' pension contributions to money purchase schemes | <u>141,718</u> | <u></u>      |

Information regarding the highest paid director for the year ended 30 April 2008 is as follows

|                                                 | 30 4 08       |
|-------------------------------------------------|---------------|
|                                                 | £             |
| Emoluments etc                                  | 304,722       |
| Pension contributions to money purchase schemes | <u>91,718</u> |

# Chardon Trading Limited

## Notes to the Abbreviated Accounts continued for the Year Ended 30 April 2008

### 4 EXCEPTIONAL ITEMS

During the year the company disposed of its investment property for the sum of £55,000

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

|               | 30 4 08        | 30 4 07        |
|---------------|----------------|----------------|
|               | £              | £              |
| Bank interest | 34,137         | 146,175        |
| Loan interest | 572,446        | 632,463        |
|               | <u>606,583</u> | <u>778,638</u> |

### 6 TAXATION

#### Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 April 2008 nor for the year ended 30 April 2007

#### Factors affecting the tax charge

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 08        | 30 4 07        |
|--------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                    | £              | £              |
| Profit on ordinary activities before tax                                                                           | <u>75,043</u>  | <u>144,516</u> |
| Profit on ordinary activities<br>multiplied by the standard rate of corporation tax<br>in the UK of 28% (2007 30%) | 21,012         | 43,355         |
| Effects of                                                                                                         |                |                |
| Income disallowed                                                                                                  | (28,000)       | (45,000)       |
| Group relief                                                                                                       | 10,097         | 714            |
| Expenses disallowed                                                                                                | 1,400          | 2,678          |
| Creation/ utilisation of tax losses                                                                                | <u>(4,509)</u> | <u>(1,747)</u> |
| Current tax charge                                                                                                 | <u></u>        | <u></u>        |

### 7 DIVIDENDS

|                            | 30 4 08        | 30 4 07        |
|----------------------------|----------------|----------------|
|                            | £              | £              |
| Ordinary shares of £1 each |                |                |
| Final                      | 112,580        |                |
| Interim                    | 100,000        | 100,000        |
|                            | <u>212,580</u> | <u>100,000</u> |

# Chardon Trading Limited

## Notes to the Abbreviated Accounts continued for the Year Ended 30 April 2008

### 8 FIXED ASSET INVESTMENTS

|                                    | Unlisted<br>investments<br>£ |
|------------------------------------|------------------------------|
| <b>COST</b>                        |                              |
| At 1 May 2007<br>and 30 April 2008 | 9,128,361                    |
| <b>NET BOOK VALUE</b>              |                              |
| At 30 April 2008                   | 9,128,361                    |
| At 30 April 2007                   | 9,128,361                    |

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

|                                | %<br>holding | 30 4 08    | 30 4 07   |
|--------------------------------|--------------|------------|-----------|
| Class of shares                | 100 00       | £          | £         |
| Ordinary                       |              | 11,085,230 | 5,409,597 |
| Aggregate capital and reserves |              | 446,646    | 257,360   |
| Profit for the year            |              |            |           |

#### Chardon Properties Limited

Country of incorporation Scotland

Nature of business The development and selling of real estate

|                                | %<br>holding | 30 4 08   | 30 4 07   |
|--------------------------------|--------------|-----------|-----------|
| Class of shares                | 100 00       | £         | £         |
| Ordinary                       |              | 4,080,562 | 2,721,759 |
| Aggregate capital and reserves |              | 163,803   | 148,759   |
| Profit for the year            |              |           |           |

#### Chardon Leisure Limited

Country of incorporation Scotland

Nature of business Owning and operating hotels

|                                | %<br>holding | 30 4 08    | 30 4 07    |
|--------------------------------|--------------|------------|------------|
| Class of shares                | 100 00       | £          | £          |
| Ordinary                       |              | 22,043,107 | 12,435,789 |
| Aggregate capital and reserves |              | 160,214    | 28,828     |
| Profit for the year            |              |            |            |

**Chardon Trading Limited**

**Notes to the Abbreviated Accounts continued  
for the Year Ended 30 April 2008**

**9 INVESTMENT PROPERTY**

|                       | Total<br>£           |
|-----------------------|----------------------|
| <b>COST</b>           |                      |
| At 1 May 2007         | 55,000               |
| Disposals             | <u>(55,000)</u>      |
| At 30 April 2008      | <u>—</u>             |
| <b>NET BOOK VALUE</b> |                      |
| At 30 April 2008      | <u><u>—</u></u>      |
| At 30 April 2007      | <u><u>55,000</u></u> |

**10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 30 4 08<br>£     | 30 4 07<br>£     |
|------------------------------------|------------------|------------------|
| Amounts owed by group undertakings | 6,661,636        | 7,482,744        |
| Prepayments                        | 31,859           | 8,324            |
| Sundry debtors                     | 2,581,283        | 2,361,766        |
| VAT                                | 658              |                  |
|                                    | <u>9,275,436</u> | <u>9,852,834</u> |

**11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                         | 30 4 08<br>£     | 30 4 07<br>£     |
|-----------------------------------------|------------------|------------------|
| Bank loans and overdrafts (see note 13) | 1,649,082        | 1,681,287        |
| Social security and other taxes         | 27,478           |                  |
| Other creditors                         | 410,364          | 245,000          |
| Accrued expenses                        | 87,344           | 100,746          |
|                                         | <u>2,174,268</u> | <u>2,027,033</u> |

**12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                          | 30 4 08<br>£     | 30 4 07<br>£      |
|--------------------------|------------------|-------------------|
| Bank loans (see note 13) | <u>9,741,562</u> | <u>10,362,777</u> |

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

**13 LOANS**

An analysis of the maturity of loans is given below

|                                                  | 30 4 08<br>£     | 30 4 07<br>£     |
|--------------------------------------------------|------------------|------------------|
| Amounts falling due within one year or on demand |                  |                  |
| Bank overdrafts                                  | 1,124,082        | 1,181,287        |
| Bank loan                                        | 525,000          | 500,000          |
|                                                  | <u>1,649,082</u> | <u>1,681,287</u> |

**Chardon Trading Limited**

**Notes to the Abbreviated Accounts continued  
for the Year Ended 30 April 2008**

**13 LOANS continued**

|                                                | 30 4 08<br>£     | 30 4 07<br>£     |
|------------------------------------------------|------------------|------------------|
| Amounts falling due between one and two years  |                  |                  |
| Bank loan                                      | <u>600,000</u>   | <u>525,000</u>   |
| Amounts falling due between two and five years |                  |                  |
| Bank loan                                      | <u>1,925,000</u> | <u>1,862,500</u> |
| Amounts falling due in more than five years    |                  |                  |
| Repayable by instalments                       |                  |                  |
| Bank loan                                      | <u>7,216,562</u> | <u>7,975,277</u> |

**14 SECURED DEBTS**

The following secured debts are included within creditors

|                 | 30 4 08<br>£      | 30 4 07<br>£      |
|-----------------|-------------------|-------------------|
| Bank overdrafts | 1,124,082         | 1,181,287         |
| Bank loans      | 10,266,562        | 10,862,777        |
|                 | <u>11,390,644</u> | <u>12,044,064</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.

**15 CALLED UP SHARE CAPITAL**

| Authorised<br>Number                      | Class    | Nominal<br>value<br>£1 | 30 4 08<br>£     | 30 4 07<br>£     |
|-------------------------------------------|----------|------------------------|------------------|------------------|
| 1,000,000                                 | Ordinary |                        | <u>1,000,000</u> | <u>1,000,000</u> |
| Allotted, issued and fully paid<br>Number | Class    | Nominal<br>value<br>£1 | 30 4 08<br>£     | 30 4 07<br>£     |
| 866,000                                   | Ordinary |                        | <u>866,000</u>   | <u>866,000</u>   |

**Chardon Trading Limited**

**Notes to the Abbreviated Accounts continued  
for the Year Ended 30 April 2008**

**16 RESERVES**

|                              | Profit<br>and loss<br>account<br>£ | Share<br>premium<br>£ | Revaluation<br>reserve<br>£ | Totals<br>£      |
|------------------------------|------------------------------------|-----------------------|-----------------------------|------------------|
| At 1 May 2007                | 701,092                            | 5,075,840             | 5,000                       | 5,781,932        |
| Profit for the year          | 75,043                             |                       |                             | 75,043           |
| Dividends                    | (212,580)                          |                       |                             | (212,580)        |
| Transfer on sale of property | 5,000                              |                       | (5,000)                     |                  |
| At 30 April 2008             | <u>568,555</u>                     | <u>5,075,840</u>      | <u></u>                     | <u>5,644,395</u> |

**17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

|                                                                 |                  |                  |
|-----------------------------------------------------------------|------------------|------------------|
|                                                                 | 30 4 08<br>£     | 30 4 07<br>£     |
| Profit for the financial year                                   | 75,043           | 144,516          |
| Dividends                                                       | (212,580)        | (100,000)        |
|                                                                 | <u>(137,537)</u> | <u>44,516</u>    |
| Other recognised gains and losses<br>relating to the year (net) |                  | 5,000            |
| Net (reduction)/addition to shareholders' funds                 | (137,537)        | 49,516           |
| Opening shareholders' funds                                     | <u>6,647,932</u> | <u>6,598,416</u> |
| Closing shareholders' funds                                     | <u>6,510,395</u> | <u>6,647,932</u> |