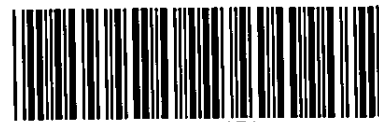


**Report of the Directors and
Consolidated Financial Statements
for the Year Ended 30 April 2012
for
Chardon Trading Limited**

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**Contents of the Consolidated Financial Statements
for the Year Ended 30 April 2012**

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Chardon Trading Limited
Company Information
for the Year Ended 30 April 2012

DIRECTORS: Maurice Vincent Taylor
Mrs Frances Una Taylor
Miss Nicola Joan Taylor

SECRETARY: Adam Inglis Armstrong

REGISTERED OFFICE: Albert Chambers
13 Bath Street
Glasgow
G2 1HY

REGISTERED NUMBER: SC075521 (Scotland)

AUDITORS: Stevenson & Kyles
Statutory Auditor
Chartered Accountants
25 Sandyford Place
Glasgow
G3 7NG

**Report of the Directors
for the Year Ended 30 April 2012**

The directors present their report with the financial statements of the company and the group for the year ended 30 April 2012.

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of hoteliers and restaurateurs.

REVIEW OF BUSINESS

The report and financial statements reflect the business of the group, which operates in the hotel and leisure sector.

This has been a difficult and challenging year for that industry. Details for the year include :-

- * An increase in total revenue of 4.4% year on year.
- * Rev par at £48.66 is a decrease of 4.5% on the previous year.

Results

Total revenues of £9.920 million (2011 - £9.499 million) increased by 4.4% from the previous year. Operating profit, before interest, depreciation, taxation and exceptional items was £2.306 million (2011 - £2.169 million).

Notwithstanding the relatively difficult trading climate, we continue to deliver financial performance indicators in respect of added value, return on capital employed and the generation of cash flows which we believe are, in relative terms, higher than those employed by much larger hotel groups.

Hotels operation

We continue to reinvest in the maintenance and upgrading of facilities. We are also becoming more aware of the importance of conserving resources and are making a conscious effort to aid this objective.

The hotel and leisure sector remains challenging and very competitive. Notwithstanding the impact of outside agencies, for example disproportionate increases in energy costs and the level of commissions paid to third parties, we remain confident of the profitability of these hotels even in the current economic climate.

Risks and uncertainties

The financial results of the companies within the group could be materially adversely affected by a number of different risks and uncertainties. The main risks and uncertainties are as detailed below, together with the steps which the companies are taking to mitigate these risks.

Competition and consumer trends

The hotel sector of the UK economy is highly competitive, and the group's future financial performance would be at risk if it failed to anticipate consumer trends and lost market share to its competitors. The group obtains feedback from its customers, and uses that feedback to ensure that it continues to offer the type and quality of services that its customers expect. It believes that by listening to its customers it is significantly reducing the risks associated with changing consumer trends.

Health and safety

A major incident resulting from a health and safety failure would be a significant reputational risk to the group. To mitigate the risk the group utilises the services of external health and safety consultants to assist in maintaining health and safety matters to the highest possible standards.

Wage inflation

The minimum wage has increased faster than the rate of general wage inflation over the last four years, and there is a risk that it will continue to do so in the future. The group has mitigated this continuing risk by reviewing its operating procedures in an effort to improve productivity.

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2012.

**Report of the Directors
for the Year Ended 30 April 2012**

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2011 to the date of this report.

Maurice Vincent Taylor
Mrs Frances Una Taylor
Miss Nicola Joan Taylor

POLITICAL AND CHARITABLE CONTRIBUTIONS

Charitable donations of £5,638 are included within the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

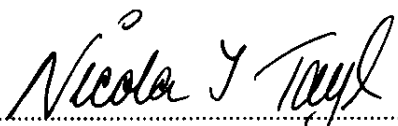
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group'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 group's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:


.....
Miss Nicola Joan Taylor - Director

Date: 
.....

**Report of the Independent Auditors to the Members of
Chardon Trading Limited**

We have audited the financial statements of Chardon Trading Limited for the year ended 30 April 2012 on pages five to twenty three. 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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2012 and of 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.

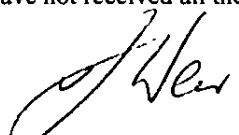
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors 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.


James Weir (Senior Statutory Auditor)
for and on behalf of Stevenson & Kyles
Statutory Auditor
Chartered Accountants
25 Sandyford Place
Glasgow
G3 7NG

Date:

21 December 2012

Chardon Trading Limited (Registered number: SC075521)

Consolidated Profit and Loss Account
for the Year Ended 30 April 2012

	Notes	30.4.12 £	£	30.4.11 £	£
TURNOVER			9,919,755		9,498,798
Continuing operations		9,919,755		8,852,682	
Acquisitions		-		646,116	
		<u>9,919,755</u>		<u>9,498,798</u>	
Cost of sales	2		<u>767,427</u>		<u>755,034</u>
GROSS PROFIT	2		9,152,328		8,743,764
Net operating expenses	2		<u>7,128,076</u>		<u>6,776,280</u>
OPERATING PROFIT	4		2,024,252		1,967,484
Continuing operations		2,024,252		1,853,215	
Acquisitions		-		114,269	
		<u>2,024,252</u>		<u>1,967,484</u>	
Provision for associated company balance	5		<u>990,100</u>		<u>268,973</u>
			1,034,152		1,698,511
Interest receivable and similar income			<u>56</u>		<u>13</u>
			1,034,208		1,698,524
Interest payable and similar charges	6		<u>627,620</u>		<u>593,083</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			406,588		1,105,441
Tax on profit on ordinary activities	7		<u>343,292</u>		<u>372,111</u>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP			<u>63,296</u>		<u>733,330</u>

The notes form part of these financial statements

Chardon Trading Limited (Registered number: SC075521)

**Consolidated Statement of Total Recognised Gains and Losses
for the Year Ended 30 April 2012**

	30.4.12 £	30.4.11 £
PROFIT FOR THE FINANCIAL YEAR	63,296	733,330
Unrealised deficit on revaluation of properties	(4,670,084)	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>(4,606,788)</u>	<u>733,330</u>

**Note of Historical Cost Profits and Losses
for the Year Ended 30 April 2012**

	30.4.12 £	30.4.11 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	406,588	1,105,441
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	129,705	229,456
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>536,293</u>	<u>1,334,897</u>
HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION	<u>193,001</u>	<u>962,786</u>

The notes form part of these financial statements

Chardon Trading Limited (Registered number: SC075521)

Consolidated Balance Sheet
30 April 2012

	Notes	30.4.12 £	30.4.11 £
FIXED ASSETS			
Intangible assets	9	(2,042,077)	(2,302,490)
Tangible assets	10	34,199,721	39,032,317
Investments	11	-	-
		<u>32,157,644</u>	<u>36,729,827</u>
CURRENT ASSETS			
Stocks	12	45,972	41,475
Debtors	13	1,837,654	3,025,958
Cash at bank and in hand		1,996,453	234,930
		<u>3,880,079</u>	<u>3,302,363</u>
CREDITORS			
Amounts falling due within one year	14	<u>5,028,737</u>	<u>3,365,702</u>
NET CURRENT LIABILITIES		<u>(1,148,658)</u>	<u>(63,339)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>31,008,986</u>	<u>36,666,488</u>
CREDITORS			
Amounts falling due after more than one year	15	(13,383,165)	(14,510,806)
PROVISIONS FOR LIABILITIES	19	<u>(363,669)</u>	<u>(286,742)</u>
NET ASSETS		<u><u>17,262,152</u></u>	<u><u>21,868,940</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	866,000	866,000
Share premium	21	5,075,840	5,075,840
Revaluation reserve	21	8,354,598	13,154,387
Profit and loss account	21	2,965,714	2,772,713
SHAREHOLDERS' FUNDS	24	<u><u>17,262,152</u></u>	<u><u>21,868,940</u></u>

The financial statements were approved by the Board of Directors on 21 December 2012 and were signed on its behalf by:

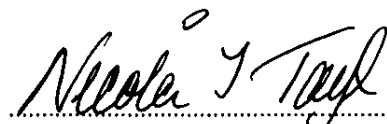

Miss Nicola Joan Taylor - Director

The notes form part of these financial statements

Company Balance Sheet
30 April 2012

	Notes	30.4.12 £	30.4.11 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	8,220	-
Investments	11	12,199,446	12,199,446
		<u>12,207,666</u>	<u>12,199,446</u>
CURRENT ASSETS			
Debtors	13	9,411,979	10,277,128
Cash at bank		274,118	92,140
		<u>9,686,097</u>	<u>10,369,268</u>
CREDITORS			
Amounts falling due within one year	14	2,010,443	1,306,217
NET CURRENT ASSETS		<u>7,675,654</u>	<u>9,063,051</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>19,883,320</u>	<u>21,262,497</u>
CREDITORS			
Amounts falling due after more than one year	15	13,379,746	14,501,714
NET ASSETS		<u><u>6,503,574</u></u>	<u><u>6,760,783</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	866,000	866,000
Share premium	21	5,075,840	5,075,840
Profit and loss account	21	561,734	818,943
SHAREHOLDERS' FUNDS	24	<u><u>6,503,574</u></u>	<u><u>6,760,783</u></u>

The financial statements were approved by the Board of Directors on 21 December 2012 and were signed on its behalf by:



Miss Nicola Joan Taylor - Director

Chardon Trading Limited (Registered number: SC075521)

**Consolidated Cash Flow Statement
for the Year Ended 30 April 2012**

	Notes	30.4.12 £	£	30.4.11 £	£
Net cash inflow from operating activities	1		2,545,831		2,311,693
Returns on investments and servicing of finance	2		(633,621)		(592,779)
Taxation			(305,123)		(135,928)
Capital expenditure	2		(335,053)		(101,996)
Acquisitions and disposals	2		-		(2,440,389)
			<u>1,272,034</u>		<u>(959,399)</u>
Financing	2		(1,089,363)		784,224
Increase/(decrease) in cash in the period			<u>182,671</u>		<u>(175,175)</u>
Reconciliation of net cash flow to movement in net debt	3				
Increase/(decrease) in cash in the period		182,671		(175,175)	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>1,028,173</u>		<u>(3,665,088)</u>	
Change in net debt resulting from cash flows			1,210,844		(3,840,263)
New hire purchase contracts			-		(18,910)
Movement in net debt in the period			<u>1,210,844</u>		<u>(3,859,173)</u>
Net debt at 1 May			<u>(14,358,723)</u>		<u>(10,499,550)</u>
Net debt at 30 April			<u>(13,147,879)</u>		<u>(14,358,723)</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 April 2012

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	30.4.12	30.4.11
	£	£
Operating profit	2,024,252	1,967,484
Depreciation charges	245,841	200,470
Loss on disposal of fixed assets	33,800	930
Increase in stocks	(4,497)	(669)
Decrease/(increase) in debtors	109,937	(230,215)
Increase in creditors	136,498	373,693
Net cash inflow from operating activities	2,545,831	2,311,693

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

	30.4.12	30.4.11
	£	£
Returns on investments and servicing of finance		
Interest received	56	13
Interest paid	(633,013)	(592,231)
Interest element of hire purchase payments	(664)	(561)
Net cash outflow for returns on investments and servicing of finance	(633,621)	(592,779)
Capital expenditure		
Purchase of tangible fixed assets	(338,553)	(103,396)
Sale of tangible fixed assets	3,500	1,400
Net cash outflow for capital expenditure	(335,053)	(101,996)
Acquisitions and disposals		
Purchase of subsidiary undertaking	-	(2,546,085)
Net bank balances acquired	-	105,696
Net cash outflow for acquisitions and disposals	-	(2,440,389)
Financing		
New loans in year	-	4,000,000
Loan repayments in year	(860,000)	(2,087,500)
Capital repayments in year	(5,673)	(4,145)
Amount introduced by directors	350,000	253,908
Amount withdrawn by directors	(338,186)	(1,082,403)
Transactions with associated companies	(235,504)	(295,636)
Net cash (outflow)/inflow from financing	(1,089,363)	784,224

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 April 2012

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.5.11 £	Cash flow £	At 30.4.12 £
Net cash:			
Cash at bank and in hand	234,930	1,761,523	1,996,453
Bank overdraft	(322,155)	(1,578,852)	(1,901,007)
	<u>(87,225)</u>	<u>182,671</u>	<u>95,446</u>
Debt:			
Hire purchase	(14,765)	5,673	(9,092)
Debts falling due within one year	(860,000)	7,500	(852,500)
Debts falling due after one year	<u>(13,396,733)</u>	<u>1,015,000</u>	<u>(12,381,733)</u>
	<u>(14,271,498)</u>	<u>1,028,173</u>	<u>(13,243,325)</u>
Total	<u><u>(14,358,723)</u></u>	<u><u>1,210,844</u></u>	<u><u>(13,147,879)</u></u>

Notes to the Consolidated Financial Statements
for the Year Ended 30 April 2012

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets, and in accordance with applicable accounting standards.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

On the purchase of the subsidiaries in 2006 the assets exceeded the acquisition costs, thereby creating negative goodwill. This is being amortised over a period of fifteen years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- not provided as investment property and over estimated useful life of 125 years
Long leasehold	- over the lease term
Fixtures and fittings	- 20% on reducing balance and 10% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

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

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2012

2. ANALYSIS OF OPERATIONS

	Continuing £	30.4.12 Acquisitions £	Total £
Cost of sales	<u>767,427</u>	<u>-</u>	<u>767,427</u>
Gross profit	<u>9,152,328</u>	<u>-</u>	<u>9,152,328</u>
Net operating expenses:			
Administrative expenses	7,458,323	-	7,458,323
Other operating income	<u>(330,247)</u>	<u>-</u>	<u>(330,247)</u>
	<u>7,128,076</u>	<u>-</u>	<u>7,128,076</u>

	Continuing £	30.4.11 Acquisitions £	Total £
Cost of sales	<u>717,833</u>	<u>37,201</u>	<u>755,034</u>
Gross profit	<u>8,134,849</u>	<u>608,915</u>	<u>8,743,764</u>
Net operating expenses:			
Administrative expenses	6,613,672	494,646	7,108,318
Other operating income	<u>(332,038)</u>	<u>-</u>	<u>(332,038)</u>
	<u>6,281,634</u>	<u>494,646</u>	<u>6,776,280</u>

3. STAFF COSTS

	30.4.12 £	30.4.11 £
Wages and salaries	2,974,281	2,795,354
Social security costs	227,160	223,691
Other pension costs	<u>91,677</u>	<u>43,068</u>
	<u>3,293,118</u>	<u>3,062,113</u>

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

	30.4.12	30.4.11
General staff	205	194
Administrative staff	<u>16</u>	<u>22</u>
	<u>221</u>	<u>216</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2012

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	30.4.12	30.4.11
	£	£
Other operating leases	248,399	249,295
Depreciation - owned assets	502,710	459,327
Depreciation - assets on hire purchase contracts	3,544	4,728
Loss on disposal of fixed assets	33,800	930
Goodwill amortisation	(260,413)	(263,585)
Auditors' remuneration	24,200	32,465
	<u>272,197</u>	<u>227,825</u>
Directors' remuneration	272,197	227,825
Directors' pension contributions to money purchase schemes	81,517	38,508
	<u>81,517</u>	<u>38,508</u>

Information regarding the highest paid director is as follows:

	30.4.12	30.4.11
	£	£
Emoluments etc	99,667	100,267
Pension contributions to money purchase schemes	3,009	2,400
	<u>3,009</u>	<u>2,400</u>

5. EXCEPTIONAL ITEMS

The directors considered the recoverability of the balance due from Chardon Hotels Ltd, an associated company, and took the view that full recoverability was uncertain. A provision of £1,000,000 (2011 - £268,973) has therefore been incorporated in the financial statements.

Included in other creditors at 30 April 2011 was the sum of £9,900 which was due to Altoplex Ltd, a company which has now been dissolved. This balance has been written back in the financial statements.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	30.4.12	30.4.11
	£	£
Bank interest	7,894	2,006
Bank loan interest	619,009	590,516
Other interest	53	-
Hire purchase	664	561
	<u>627,620</u>	<u>593,083</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2012

7. TAXATION

Analysis of the tax charge

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

	30.4.12 £	30.4.11 £
Current tax:		
UK corporation tax	266,365	290,755
Prior year adjustment	-	1,209
Total current tax	266,365	291,964
Deferred tax	76,927	80,147
Tax on profit on ordinary activities	343,292	372,111

UK corporation tax has been charged at 25.83%.

Factors affecting the tax charge

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

	30.4.12 £	30.4.11 £
Profit on ordinary activities before tax	406,588	1,105,441
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.830% (2011 - 27.840%)	105,022	307,755
Effects of:		
Expenses not deductible for tax purposes	256,128	79,091
Depreciation in excess of capital allowances	66,407	36,708
Utilisation of tax losses	(86,667)	(54,071)
Adjustments to tax charge in respect of previous periods	-	1,209
Group goodwill adjustment	(67,264)	(73,382)
Small company rate relief	(7,261)	(5,346)
Current tax charge	266,365	291,964

8. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(257,209) (2011 - £49,748 profit).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2012

9. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 May 2011	
and 30 April 2012	(3,906,200)
AMORTISATION	
At 1 May 2011	(1,603,710)
Amortisation for year	(260,413)
At 30 April 2012	(1,864,123)
NET BOOK VALUE	
At 30 April 2012	(2,042,077)
At 30 April 2011	(2,302,490)

10. TANGIBLE FIXED ASSETS

Group	Freehold property £	Long leasehold £	Fixtures and fittings £
COST OR VALUATION			
At 1 May 2011	9,219,492	29,688,048	3,298,020
Additions	-	104,652	265,430
Disposals	-	-	(343,112)
Revaluations	(1,218,174)	(4,169,695)	-
At 30 April 2012	8,001,318	25,623,005	3,220,338
DEPRECIATION			
At 1 May 2011	24,303	325,910	2,862,362
Charge for year	41,662	325,910	123,400
Eliminated on disposal	-	-	(309,955)
Revaluation adjustments	(65,965)	(651,820)	-
At 30 April 2012	-	-	2,675,807
NET BOOK VALUE			
At 30 April 2012	8,001,318	25,623,005	544,531
At 30 April 2011	9,195,189	29,362,138	435,658

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2012

10. TANGIBLE FIXED ASSETS - continued

Group

	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION			
At 1 May 2011	61,540	113,176	42,380,276
Additions	10,960	-	381,042
Disposals	(23,000)	-	(366,112)
Revaluations	-	-	(5,387,869)
At 30 April 2012	49,500	113,176	37,007,337
DEPRECIATION			
At 1 May 2011	34,932	100,452	3,347,959
Charge for year	8,356	6,926	506,254
Eliminated on disposal	(18,857)	-	(328,812)
Revaluation adjustments	-	-	(717,785)
At 30 April 2012	24,431	107,378	2,807,616
NET BOOK VALUE			
At 30 April 2012	25,069	5,798	34,199,721
At 30 April 2011	26,608	12,724	39,032,317

On 26 March 2012, the hotel properties (including hotel fittings) were revalued by DTZ, Chartered Surveyors, at a value of £30,545,000. The valuation reports have been made in accordance with the RICS appraisal and valuation manual. These values have been incorporated in the financial statements. The hotel properties were valued as fully equipped operational entities having regard to trading potential. On a historical cost basis the net book value of the properties would be £12,378,726 (2011 - £12,609,983).

The land owned by one of the subsidiaries was revalued on the same date at a value of £3,525,000, which has also been incorporated in the financial statements. On a historical cost basis the net book value of the land would be £248,478 (2011 - £248,478).

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 May 2011 and 30 April 2012	18,910
DEPRECIATION	
At 1 May 2011	4,728
Charge for year	3,544
At 30 April 2012	8,272
NET BOOK VALUE	
At 30 April 2012	10,638
At 30 April 2011	14,182

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2012

10. TANGIBLE FIXED ASSETS - continued

Company

	Motor vehicles £
COST	
Additions	10,960
At 30 April 2012	10,960
DEPRECIATION	
Charge for year	2,740
At 30 April 2012	2,740
NET BOOK VALUE	
At 30 April 2012	8,220

11. FIXED ASSET INVESTMENTS

Details of the investments in which the Group holds 20% or more of the nominal value of any class of share capital are as follows:

Name of company	Holding	Proportion of voting rights	Nature of business
<u>Subsidiary Undertaking</u>			
Chardon Leisure Ltd	Ordinary shares	100%	Hotels
Ingliston Hotels Ltd	Ordinary shares	100%	Hotels
Chardon Properties Ltd	Ordinary shares	100%	Investment
Bettgrade Ltd	Ordinary shares	100%	Hotels

Company

	Subsidiary Undertakings £
Cost at 1 May 2011 and 30 April 2012	12,199,446

12. STOCKS

	Group	
	30.4.12	30.4.11
	£	£
Stocks	45,972	41,475

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2012

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.4.12	30.4.11	30.4.12	30.4.11
	£	£	£	£
Trade debtors	461,784	527,459	4,450	60,857
Amounts owed by group undertakings	-	-	8,128,922	7,901,786
Sundry debtors	1,278,607	2,356,974	1,278,607	2,314,485
Prepayments	97,263	141,525	-	-
	<u>1,837,654</u>	<u>3,025,958</u>	<u>9,411,979</u>	<u>10,277,128</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.4.12	30.4.11	30.4.12	30.4.11
	£	£	£	£
Bank loans and overdrafts (see note 16)	2,753,507	1,182,155	1,880,981	1,153,417
Hire purchase contracts (see note 17)	5,673	5,673	-	-
Trade creditors	655,776	544,627	9,799	18
Taxation	266,365	305,123	11,743	44,909
Social security and other taxes	289,371	316,680	29,684	35,741
Accrued expenses	1,058,045	1,011,444	78,236	72,132
	<u>5,028,737</u>	<u>3,365,702</u>	<u>2,010,443</u>	<u>1,306,217</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	30.4.12	30.4.11	30.4.12	30.4.11
	£	£	£	£
Bank loans (see note 16)	10,780,000	11,632,500	10,780,000	11,632,500
Directors' loans (see note 16)	1,601,733	1,764,233	1,601,733	1,764,233
Hire purchase contracts (see note 17)	3,419	9,092	-	-
Other creditors	618,854	900,136	618,854	900,136
Advances from directors	379,159	204,845	379,159	204,845
	<u>13,383,165</u>	<u>14,510,806</u>	<u>13,379,746</u>	<u>14,501,714</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2012

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	30.4.12	30.4.11	30.4.12	30.4.11
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	1,901,007	322,155	1,028,481	293,417
Bank loans	852,500	860,000	852,500	860,000
	<u>2,753,507</u>	<u>1,182,155</u>	<u>1,880,981</u>	<u>1,153,417</u>
Amounts falling due between one and two years:				
Bank loans	4,155,000	840,000	4,155,000	840,000
Directors' loans	1,249,233	1,076,733	1,249,233	1,076,733
	<u>5,404,233</u>	<u>1,916,733</u>	<u>5,404,233</u>	<u>1,916,733</u>
Amounts falling due between two and five years:				
Bank loans	2,231,250	5,548,750	2,231,250	5,548,750
Directors' loans	352,500	687,500	352,500	687,500
	<u>2,583,750</u>	<u>6,236,250</u>	<u>2,583,750</u>	<u>6,236,250</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	<u>4,393,750</u>	<u>5,243,750</u>	<u>4,393,750</u>	<u>5,243,750</u>

17. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	30.4.12	30.4.11
	£	£
Net obligations repayable:		
Within one year	5,673	5,673
Between one and five years	3,419	9,092
	<u>9,092</u>	<u>14,765</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2012

17. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

The following operating lease payments are committed to be paid within one year:

Group	Land and buildings		Other operating leases	
	30.4.12 £	30.4.11 £	30.4.12 £	30.4.11 £
Expiring:				
Between one and five years	-	-	55,989	-
In more than five years	110,000	110,000	-	67,718
	<u>110,000</u>	<u>110,000</u>	<u>55,989</u>	<u>67,718</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	30.4.12 £	30.4.11 £	30.4.12 £	30.4.11 £
Bank overdraft	1,901,007	322,155	1,028,481	293,417
Bank loans	11,632,500	12,492,500	11,632,500	12,492,500
Hire purchase contracts	9,092	14,765	-	-
	<u>13,542,599</u>	<u>12,829,420</u>	<u>12,660,981</u>	<u>12,785,917</u>

Cross guarantees exist between the five companies within the group supported by standard securities over the properties owned by the group and a bond and floating charge over group assets.

19. PROVISIONS FOR LIABILITIES

	Group	
	30.4.12 £	30.4.11 £
Deferred tax		
Capital allowances in advance of depreciation	363,669	382,102
Loss relief	-	(95,360)
	<u>363,669</u>	<u>286,742</u>
Group		
		Deferred tax £
Balance at 1 May 2011		286,742
Capital allowances in advance of depreciation		(18,433)
Loss relief		95,360
Balance at 30 April 2012		<u>363,669</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2012

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.4.12	30.4.11
		£1	£	£
866,000	Ordinary		<u>866,000</u>	<u>866,000</u>

21. RESERVES

Group

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 May 2011	2,772,713	5,075,840	13,154,387	21,002,940
Profit for the year	63,296			63,296
Revaluation in year	-	-	(4,670,084)	(4,670,084)
Depreciation on revalued amount	129,705	-	(129,705)	-
At 30 April 2012	<u>2,965,714</u>	<u>5,075,840</u>	<u>8,354,598</u>	<u>16,396,152</u>

Company

	Profit and loss account £	Share premium £	Totals £
At 1 May 2011	818,943	5,075,840	5,894,783
Deficit for the year	(257,209)		(257,209)
At 30 April 2012	<u>561,734</u>	<u>5,075,840</u>	<u>5,637,574</u>

22. TRANSACTIONS WITH DIRECTORS

Maurice Taylor has provided a postponed loan to the company which is interest free and is repayable over a remaining period of three years. The amount outstanding at the balance sheet date is £1,601,733 (2011 £1,764,233).

The Taylor family, who are directors, have also made advances to the company which are interest free and have no fixed repayment date. The amounts due to the family at 30 April 2012 totalled £379,159 (2011 - £204,845).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2012

23. RELATED PARTY DISCLOSURES

The company was under the control of Maurice Taylor, a director, throughout the period. He is personally interested in 100% of the company's issued share capital.

Included in group debtors is an amount of £1,223,990 (2011 - £2,259,915) which is due by Chardon Hotels Ltd, a company of which Maurice Taylor is a director and shareholder. During the year the directors considered the recoverability of the balance due from Chardon Hotels Ltd, and took the view that full recoverability of the outstanding balance was uncertain. The balance is therefore stated net of a provision of £1,268,973.

Included in group debtors is an amount of £54,570 (2011 - £54,570) which is due by Thistle SA, a company registered in Luxembourg. Nicola Taylor is a director and shareholder of that company.

Included in other creditors is an amount of £618,854 (2011 - £890,236) due to Thistle Perth LLP. Nicola Taylor and Adam Armstrong are the sole partners of that organisation. A letter of postponement has been granted by Thistle Perth LLP in favour of the Royal Bank of Scotland plc.

Included in group creditors is an amount of £33,313 (2011 - £18) which is due to Chardon Management Ltd, and included in group debtors is an amount of £105,852 (2011 - £155,571) due from that organisation. Nicola Taylor and Maurice Taylor are directors of that company and Nicola Taylor owns 61.8% of the share capital. During the year the group had sales of £230,724 (2011 - £255,124) to that company and received services of £231,612 (2011 - £165,121) from that company. The transactions were in the form of management services.

During the year, Altoplex Ltd, a company of which Maurice Taylor and Una Taylor were directors and held a controlling interest in the share capital, was dissolved. The balance of £9,900 due to that company has been written off.

Armstrongs, Chartered Accountants, received fees of £34,000 (2011 - £34,000) during the year. Adam Armstrong is the proprietor of that organisation.

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	30.4.12	30.4.11
	£	£
Profit for the financial year	63,296	733,330
Other recognised gains and losses relating to the year (net)	(4,670,084)	-
Net (reduction)/addition to shareholders' funds	(4,606,788)	733,330
Opening shareholders' funds	21,868,940	21,135,610
Closing shareholders' funds	17,262,152	21,868,940
 Company	 30.4.12	 30.4.11
	£	£
(Loss)/profit for the financial year	(257,209)	49,748
Net (reduction)/addition to shareholders' funds	(257,209)	49,748
Opening shareholders' funds	6,760,783	6,711,035
Closing shareholders' funds	6,503,574	6,760,783