

REGISTERED NUMBER: SC075521 (Scotland)

**Report of the Directors and
Consolidated Financial Statements
for the Year Ended 30 April 2013
for
Chardon Trading Limited**

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Chardon Trading Limited (Registered number: SC075521)

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for the Year Ended 30 April 2013**

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Chardon Trading Limited
Company Information
for the Year Ended 30 April 2013

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

SECRETARY: Adam Inglis Armstrong

REGISTERED OFFICE: 29 Winton Lane
Glasgow
G12 0QD

REGISTERED NUMBER: SC075521 (Scotland)

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

Chardon Trading Limited (Registered number: SC075521)

**Report of the Directors
for the Year Ended 30 April 2013**

The directors present their report with the financial statements of the company and the group for the year ended 30 April 2013.

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 :-

- * A decrease in total revenue of 0.8% year on year.
- * Rev par at £48.20 is a decrease of 0.95% on the previous year.

Results

Total revenues of £9.838 million (2012 - £9.920 million) decreased by 0.8% from the previous year. Operating profit, before interest, depreciation, taxation and exceptional items was £2.198 million (2012 - £2.306 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 2013.

Chardon Trading Limited (Registered number: SC075521)

**Report of the Directors
for the Year Ended 30 April 2013**

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2012 to the date of this report.

Maurice Vincent Taylor
Mrs Frances Una Taylor
Ms Nicola Joan Taylor

POLITICAL AND CHARITABLE CONTRIBUTIONS

Charitable donations of £3,675 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.

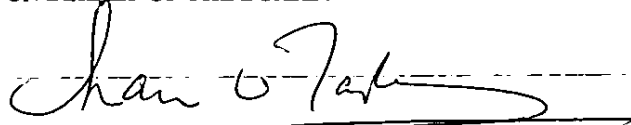
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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:



Maurice Vincent Taylor - Director

Date: 29/12/13

**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 2013 on pages five to twenty two. 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 2013 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.

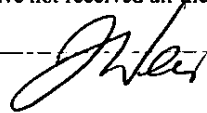
Opinion on other matter prescribed by the Companies Act 2006

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: 20/12/13

Chardon Trading Limited (Registered number: SC075521)

**Consolidated Profit and Loss Account
for the Year Ended 30 April 2013**

	Notes	30.4.13 £	30.4.12 £
TURNOVER		9,837,573	9,919,755
Cost of sales		<u>807,000</u>	<u>767,427</u>
GROSS PROFIT		9,030,573	9,152,328
Administrative expenses		<u>7,309,900</u>	<u>7,458,323</u>
		1,720,673	1,694,005
Other operating income		<u>285,796</u>	<u>330,247</u>
OPERATING PROFIT	3	2,006,469	2,024,252
Exceptional items	4	<u>729,426</u>	<u>990,100</u>
		1,277,043	1,034,152
Interest receivable and similar income		<u>30</u>	<u>56</u>
		1,277,073	1,034,208
Interest payable and similar charges	5	<u>571,745</u>	<u>627,620</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		705,328	406,588
Tax on profit on ordinary activities	6	<u>290,997</u>	<u>343,292</u>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u>414,331</u>	<u>63,296</u>

CONTINUING OPERATIONS

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

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 2013**

	30.4.13 £	30.4.12 £
PROFIT FOR THE FINANCIAL YEAR	414,331	63,296
Unrealised deficit on revaluation of properties	-	(4,670,084)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>414,331</u>	<u>(4,606,788)</u>

**Note of Historical Cost Profits and Losses
for the Year Ended 30 April 2013**

	30.4.13 £	30.4.12 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	705,328	406,588
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	189,376	129,705
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>894,704</u>	<u>536,293</u>
 HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION	 <u>603,707</u>	 <u>193,001</u>

The notes form part of these financial statements

Chardon Trading Limited (Registered number: SC075521)

Consolidated Balance Sheet
30 April 2013

	Notes	30.4.13 £	30.4.12 £
FIXED ASSETS			
Intangible assets	8	(1,781,664)	(2,042,077)
Tangible assets	9	34,323,462	34,199,721
Investments	10	-	-
		<u>32,541,798</u>	<u>32,157,644</u>
CURRENT ASSETS			
Stocks	11	38,523	45,972
Debtors	12	1,076,391	1,837,654
Cash at bank and in hand		<u>626,328</u>	<u>1,996,453</u>
		1,741,242	3,880,079
CREDITORS			
Amounts falling due within one year	13	<u>3,178,457</u>	<u>5,028,737</u>
NET CURRENT LIABILITIES		<u>(1,437,215)</u>	<u>(1,148,658)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		31,104,583	31,008,986
CREDITORS			
Amounts falling due after more than one year	14	(13,022,313)	(13,383,165)
PROVISIONS FOR LIABILITIES	18	<u>(405,787)</u>	<u>(363,669)</u>
NET ASSETS		<u>17,676,483</u>	<u>17,262,152</u>
CAPITAL AND RESERVES			
Called up share capital	19	866,000	866,000
Share premium	20	5,075,840	5,075,840
Revaluation reserve	20	8,165,222	8,354,598
Profit and loss account	20	<u>3,569,421</u>	<u>2,965,714</u>
SHAREHOLDERS' FUNDS	24	<u>17,676,483</u>	<u>17,262,152</u>

The financial statements were approved by the Board of Directors on its behalf by:

20/12/13

and were signed on

.....
Maurice Vincent Taylor - Director

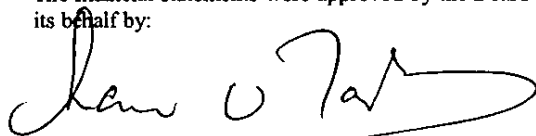
The notes form part of these financial statements

Chardon Trading Limited (Registered number: SC075521)

Company Balance Sheet
30 April 2013

	Notes	30.4.13 £	30.4.12 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	6,165	8,220
Investments	10	<u>12,199,446</u>	<u>12,199,446</u>
		12,205,611	12,207,666
CURRENT ASSETS			
Debtors	12	8,168,797	9,411,979
Cash at bank		<u>89,157</u>	<u>274,118</u>
		8,257,954	9,686,097
CREDITORS			
Amounts falling due within one year	13	<u>751,221</u>	<u>2,010,443</u>
NET CURRENT ASSETS		<u>7,506,733</u>	<u>7,675,654</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		19,712,344	19,883,320
CREDITORS			
Amounts falling due after more than one year	14	<u>13,022,313</u>	<u>13,379,746</u>
NET ASSETS		<u>6,690,031</u>	<u>6,503,574</u>
CAPITAL AND RESERVES			
Called up share capital	19	866,000	866,000
Share premium	20	5,075,840	5,075,840
Profit and loss account	20	<u>748,191</u>	<u>561,734</u>
SHAREHOLDERS' FUNDS	24	<u>6,690,031</u>	<u>6,503,574</u>

The financial statements were approved by the Board of Directors on 20/12/13 and were signed on its behalf by:



Maurice Vincent Taylor - Director

The notes form part of these financial statements

Chardon Trading Limited (Registered number: SC075521)

**Consolidated Cash Flow Statement
for the Year Ended 30 April 2013**

	Notes	30.4.13 £	£	30.4.12 £	£
Net cash inflow from operating activities	1		2,016,049		2,545,831
Returns on investments and servicing of finance	2		(575,505)		(633,621)
Taxation			(252,721)		(305,123)
Capital expenditure	2		<u>(163,377)</u>		<u>(335,053)</u>
			1,024,446		1,272,034
Financing	2		<u>(1,440,269)</u>		<u>(1,089,363)</u>
(Decrease)/increase in cash in the period			<u>(415,823)</u>		<u>182,671</u>
Reconciliation of net cash flow to movement in net debt	3				
(Decrease)/increase in cash in the period		(415,823)		182,671	
Cash outflow from decrease in debt and lease financing		<u>1,101,946</u>		<u>1,028,173</u>	
Change in net debt resulting from cash flows			<u>686,123</u>		<u>1,210,844</u>
Movement in net debt in the period			686,123		1,210,844
Net debt at 1 May			<u>(13,147,879)</u>		<u>(14,358,723)</u>
Net debt at 30 April			<u>(12,461,756)</u>		<u>(13,147,879)</u>

The notes form part of these financial statements

Chardon Trading Limited (Registered number: SC075521)

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 April 2013**

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

	30.4.13	30.4.12
	£	£
Operating profit	2,006,469	2,024,252
Depreciation charges	191,992	245,841
Loss on disposal of fixed assets	-	33,800
Decrease/(increase) in stocks	7,449	(4,497)
Decrease in debtors	106,658	109,937
(Decrease)/increase in creditors	<u>(296,519)</u>	<u>136,498</u>
Net cash inflow from operating activities	<u>2,016,049</u>	<u>2,545,831</u>

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

	30.4.13	30.4.12
	£	£
Returns on investments and servicing of finance		
Interest received	30	56
Interest paid	(574,894)	(633,013)
Interest element of hire purchase payments	<u>(641)</u>	<u>(664)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(575,505)</u>	<u>(633,621)</u>
Capital expenditure		
Purchase of tangible fixed assets	(163,377)	(338,553)
Sale of tangible fixed assets	<u>-</u>	<u>3,500</u>
Net cash outflow for capital expenditure	<u>(163,377)</u>	<u>(335,053)</u>
Financing		
Loan repayments in year	(852,500)	(860,000)
Capital repayments in year	(5,696)	(5,673)
Amount introduced by directors	-	350,000
Amount withdrawn by directors	(582,073)	(338,186)
Transactions with associated companies	<u>-</u>	<u>(235,504)</u>
Net cash outflow from financing	<u>(1,440,269)</u>	<u>(1,089,363)</u>

The notes form part of these financial statements

Chardon Trading Limited (Registered number: SC075521)

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 April 2013

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.5.12 £	Cash flow £	At 30.4.13 £
Net cash:			
Cash at bank and in hand	1,996,453	(1,370,125)	626,328
Bank overdraft	<u>(1,901,007)</u>	<u>954,302</u>	<u>(946,705)</u>
	<u>95,446</u>	<u>(415,823)</u>	<u>(320,377)</u>
Debt:			
Hire purchase	(9,092)	5,696	(3,396)
Debts falling due within one year	(852,500)	852,500	-
Debts falling due after one year	<u>(12,381,733)</u>	<u>243,750</u>	<u>(12,137,983)</u>
	<u>(13,243,325)</u>	<u>1,101,946</u>	<u>(12,141,379)</u>
Total	<u>(13,147,879)</u>	<u>686,123</u>	<u>(12,461,756)</u>

The notes form part of these financial statements

Chardon Trading Limited (Registered number: SC075521)

**Notes to the Consolidated Financial Statements
for the Year Ended 30 April 2013**

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.

2. STAFF COSTS

	30.4.13	30.4.12
	£	£
Wages and salaries	2,923,444	2,974,281
Social security costs	209,216	227,160
Other pension costs	46,508	91,677
	<u>3,179,168</u>	<u>3,293,118</u>

Chardon Trading Limited (Registered number: SC075521)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2013**

2. STAFF COSTS - continued

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

	30.4.13	30.4.12
General staff	182	205
Administrative staff	<u>15</u>	<u>16</u>
	<u>197</u>	<u>221</u>

3. OPERATING PROFIT

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

	30.4.13	30.4.12
	£	£
Other operating leases	243,410	248,399
Depreciation - owned assets	449,745	502,710
Depreciation - assets on hire purchase contracts	2,660	3,544
Loss on disposal of fixed assets	-	33,800
Goodwill amortisation	(260,413)	(260,413)
Auditors' remuneration	<u>31,400</u>	<u>24,200</u>
Directors' remuneration	237,405	272,197
Directors' pension contributions to money purchase schemes	<u>38,508</u>	<u>81,517</u>

Information regarding the highest paid director is as follows:

	30.4.13	30.4.12
	£	£
Emoluments etc	95,486	99,667
Pension contributions to money purchase schemes	<u>2,400</u>	<u>3,009</u>

4. EXCEPTIONAL ITEMS

	30.04.13	30.04.12
	£	£
Provision for associated company	600,000	990,100
Write off of hotel costs	<u>129,426</u>	<u>-</u>
	<u>729,426</u>	<u>990,100</u>

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 £600,000 (2012 - £1,000,000) has therefore been incorporated in the financial statements.

The group had also incurred costs relating to a new hotel venture. During the year it was decided that the project would no longer proceed and the decision was taken to write off the costs.

Chardon Trading Limited (Registered number: SC075521)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2013

5. INTEREST PAYABLE AND SIMILAR CHARGES

	30.4.13	30.4.12
	£	£
Bank interest	10,471	7,894
Bank loan interest	560,552	619,009
Other interest	81	53
Hire purchase	641	664
	<u>571,745</u>	<u>627,620</u>

6. TAXATION

Analysis of the tax charge

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

	30.4.13	30.4.12
	£	£
Current tax:		
UK corporation tax	262,523	266,365
Prior year adjustment	<u>(13,644)</u>	<u>-</u>
Total current tax	248,879	266,365
Deferred tax	<u>42,118</u>	<u>76,927</u>
Tax on profit on ordinary activities	<u>290,997</u>	<u>343,292</u>

UK corporation tax has been charged at 23.92% (2012 - 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:

	30.4.13	30.4.12
	£	£
Profit on ordinary activities before tax	<u>705,328</u>	<u>406,588</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.920% (2012 - 25.830%)	168,714	105,022
Effects of:		
Expenses not deductible for tax purposes	142,346	256,128
Depreciation in excess of capital allowances	88,126	66,407
Utilisation of tax losses	-	(86,667)
Adjustments to tax charge in respect of previous periods	(13,644)	-
Group goodwill adjustment	(62,291)	(67,264)
Small company rate relief	(2,728)	(7,261)
Computational adjustments	<u>(71,644)</u>	<u>-</u>
Current tax charge	<u>248,879</u>	<u>266,365</u>

Chardon Trading Limited (Registered number: SC075521)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2013**

7. PROFIT 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 profit for the financial year was £186,457 (2012 - £(257,209) loss).

8. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 May 2012	
and 30 April 2013	<u>(3,906,200)</u>
AMORTISATION	
At 1 May 2012	(1,864,123)
Amortisation for year	<u>(260,413)</u>
At 30 April 2013	<u>(2,124,536)</u>
NET BOOK VALUE	
At 30 April 2013	<u>(1,781,664)</u>
At 30 April 2012	<u>(2,042,077)</u>

9. TANGIBLE FIXED ASSETS

Group	Freehold property £	Long leasehold £	Fixtures and fittings £
COST OR VALUATION			
At 1 May 2012	8,001,318	25,623,005	3,220,338
Additions	282,476	324,289	98,807
Disposals	<u>-</u>	<u>(129,426)</u>	<u>-</u>
At 30 April 2013	<u>8,283,794</u>	<u>25,817,868</u>	<u>3,319,145</u>
DEPRECIATION			
At 1 May 2012	-	-	2,675,807
Charge for year	<u>36,842</u>	<u>282,801</u>	<u>120,798</u>
At 30 April 2013	<u>36,842</u>	<u>282,801</u>	<u>2,796,605</u>
NET BOOK VALUE			
At 30 April 2013	<u>8,246,952</u>	<u>25,535,067</u>	<u>522,540</u>
At 30 April 2012	<u>8,001,318</u>	<u>25,623,005</u>	<u>544,531</u>

Chardon Trading Limited (Registered number: SC075521)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2013**

9. TANGIBLE FIXED ASSETS - continued

Group

	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION			
At 1 May 2012	49,500	113,176	37,007,337
Additions	-	-	705,572
Disposals	-	-	(129,426)
At 30 April 2013	<u>49,500</u>	<u>113,176</u>	<u>37,583,483</u>
DEPRECIATION			
At 1 May 2012	24,431	107,378	2,807,616
Charge for year	<u>6,267</u>	<u>5,697</u>	<u>452,405</u>
At 30 April 2013	<u>30,698</u>	<u>113,075</u>	<u>3,260,021</u>
NET BOOK VALUE			
At 30 April 2013	<u>18,802</u>	<u>101</u>	<u>34,323,462</u>
At 30 April 2012	<u>25,069</u>	<u>5,798</u>	<u>34,199,721</u>

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 £12,547,905 (2012 - £12,378,726).

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 which was revalued would be £248,478 (2012 - £248,478). Further land was acquired during the year at a cost of £282,486.

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

	Motor vehicles £
COST	
At 1 May 2012 and 30 April 2013	<u>18,910</u>
DEPRECIATION	
At 1 May 2012	8,272
Charge for year	<u>2,660</u>
At 30 April 2013	<u>10,932</u>
NET BOOK VALUE	
At 30 April 2013	<u>7,978</u>
At 30 April 2012	<u>10,638</u>

Chardon Trading Limited (Registered number: SC075521)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2013**

9. TANGIBLE FIXED ASSETS - continued

Company

	Motor vehicles £
COST	
At 1 May 2012	
and 30 April 2013	<u>10,960</u>
DEPRECIATION	
At 1 May 2012	2,740
Charge for year	<u>2,055</u>
At 30 April 2013	<u>4,795</u>
NET BOOK VALUE	
At 30 April 2013	<u>6,165</u>
At 30 April 2012	<u>8,220</u>

10. 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 2012 and 30 April 2013	<u>12,199,446</u>

11. STOCKS

	Group	
	30.4.13	30.4.12
	£	£
Stocks	<u>38,523</u>	<u>45,972</u>

Chardon Trading Limited (Registered number: SC075521)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2013

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.4.13	30.4.12	30.4.13	30.4.12
	£	£	£	£
Trade debtors	330,144	461,784	2,262	4,450
Amounts owed by group undertakings	-	-	7,521,622	8,128,922
Sundry debtors	624,002	1,278,607	624,002	1,278,607
Prepayments	<u>122,245</u>	<u>97,263</u>	<u>20,911</u>	-
	<u>1,076,391</u>	<u>1,837,654</u>	<u>8,168,797</u>	<u>9,411,979</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.4.13	30.4.12	30.4.13	30.4.12
	£	£	£	£
Bank loans and overdrafts (see note 15)	946,705	2,753,507	619,212	1,880,981
Hire purchase contracts (see note 16)	3,396	5,673	-	-
Trade creditors	458,560	655,776	-	9,799
Taxation	262,523	266,365	28,766	11,743
Social security and other taxes	261,343	289,371	26,106	29,684
Accrued expenses	<u>1,245,930</u>	<u>1,058,045</u>	<u>77,137</u>	<u>78,236</u>
	<u>3,178,457</u>	<u>5,028,737</u>	<u>751,221</u>	<u>2,010,443</u>

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

	Group		Company	
	30.4.13	30.4.12	30.4.13	30.4.12
	£	£	£	£
Bank loans (see note 15)	10,780,000	10,780,000	10,780,000	10,780,000
Directors' loans (see note 15)	1,357,983	1,601,733	1,357,983	1,601,733
Hire purchase contracts (see note 16)	-	3,419	-	-
Other creditors	843,841	618,854	843,841	618,854
Advances from directors	<u>40,489</u>	<u>379,159</u>	<u>40,489</u>	<u>379,159</u>
	<u>13,022,313</u>	<u>13,383,165</u>	<u>13,022,313</u>	<u>13,379,746</u>

Chardon Trading Limited (Registered number: SC075521)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2013

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	30.4.13 £	30.4.12 £	30.4.13 £	30.4.12 £
Amounts falling due within one year or on demand:				
Bank overdrafts	946,705	1,901,007	619,212	1,028,481
Bank loans	-	852,500	-	852,500
	<u>946,705</u>	<u>2,753,507</u>	<u>619,212</u>	<u>1,880,981</u>
Amounts falling due between one and two years:				
Bank loans	860,000	4,155,000	860,000	4,155,000
Directors' loans	1,320,483	1,249,233	1,320,483	1,249,233
	<u>2,180,483</u>	<u>5,404,233</u>	<u>2,180,483</u>	<u>5,404,233</u>
Amounts falling due between two and five years:				
Bank loans	9,920,000	2,231,250	9,920,000	2,231,250
Directors' loans	37,500	352,500	37,500	352,500
	<u>9,957,500</u>	<u>2,583,750</u>	<u>9,957,500</u>	<u>2,583,750</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	-	4,393,750	-	4,393,750

16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	30.4.13 £	30.4.12 £
Net obligations repayable:		
Within one year	3,396	5,673
Between one and five years	-	3,419
	<u>3,396</u>	<u>9,092</u>

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

Group

	Land and buildings		Other operating leases	
	30.4.13 £	30.4.12 £	30.4.13 £	30.4.12 £
Expiring:				
Between one and five years	-	-	62,011	55,989
In more than five years	110,000	110,000	-	-
	<u>110,000</u>	<u>110,000</u>	<u>62,011</u>	<u>55,989</u>

Chardon Trading Limited (Registered number: SC075521)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2013**

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	30.4.13	30.4.12	30.4.13	30.4.12
	£	£	£	£
Bank overdraft	946,705	1,901,007	619,212	1,028,481
Bank loans	10,780,000	11,632,500	10,780,000	11,632,500
Hire purchase contracts	3,396	9,092	-	-
	<u>11,730,101</u>	<u>13,542,599</u>	<u>11,399,212</u>	<u>12,660,981</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.

18. PROVISIONS FOR LIABILITIES

	Group	
	30.4.13	30.4.12
	£	£
Deferred tax		
Capital allowances in advance of depreciation	<u>405,787</u>	<u>363,669</u>

Group

	Deferred tax
	£
Balance at 1 May 2012	363,669
Capital allowances in advance of depreciation	<u>42,118</u>
Balance at 30 April 2013	<u>405,787</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			30.4.13	30.4.12
Number:	Class:	Nominal value:	£	£
866,000	Ordinary	£1	<u>866,000</u>	<u>866,000</u>

Chardon Trading Limited (Registered number: SC075521)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2013

20. RESERVES

Group

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 May 2012	2,965,714	5,075,840	8,354,598	16,396,152
Profit for the year	414,331			414,331
Depreciation on revalued amount	189,376	-	(189,376)	-
At 30 April 2013	<u>3,569,421</u>	<u>5,075,840</u>	<u>8,165,222</u>	<u>16,810,483</u>

Company

	Profit and loss account £	Share premium £	Totals £
At 1 May 2012	561,734	5,075,840	5,637,574
Profit for the year	<u>186,457</u>		<u>186,457</u>
At 30 April 2013	<u>748,191</u>	<u>5,075,840</u>	<u>5,824,031</u>

21. CAPITAL COMMITMENTS

	30.4.13 £	30.4.12 £
Contracted but not provided for in the financial statements	<u>561,764</u>	<u>-</u>

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

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 £1,357,983 (2012 £1,601,733).

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 2013 totalled £40,489 (2012 - £379,159).

Chardon Trading Limited (Registered number: SC075521)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2013**

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 £624,002 (2012 - £1,223,990) 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 £1,868,973.

Included in other creditors is an amount of £618,841 (2012 - £618,854) 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.

During the year the group acquired a property from Thistle Investments SA, an organisation registered in Luxembourg at a valuation of £280,000. A balance of £225,000 was due to that organisation at the year end (2012 - £54,570 due by Thistle Investments SA). Nicola Taylor is a director and holds a controlling interest in that organisation.

Included in group creditors is an amount of £nil (2012 - £33,313) which is due to Chardon Management Ltd, and included in group debtors is an amount of £8,111 (2012 - £105,852) due from that organisation. During the year the group had sales of £222,796 (2012 - £230,724) to that company and received services of £285,670 (2012 - £231,612) from that company. The transactions were in the form of management services. Maurice Taylor is a director of that company and, at the balance sheet date, Nicola Taylor was also a director and held 59.6% of its share capital.

Armstrongs, Chartered Accountants, received fees of £34,000 (2012 - £34,000) during the year. Adam Armstrong is the proprietor of that organisation.

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	30.4.13	30.4.12
	£	£
Profit for the financial year	414,331	63,296
Other recognised gains and losses relating to the year (net)	-	(4,670,084)
Net addition/(reduction) to shareholders' funds	414,331	(4,606,788)
Opening shareholders' funds	17,262,152	21,868,940
Closing shareholders' funds	17,676,483	17,262,152

Company

	30.4.13	30.4.12
	£	£
Profit/(loss) for the financial year	186,457	(257,209)
Net addition/(reduction) to shareholders' funds	186,457	(257,209)
Opening shareholders' funds	6,503,574	6,760,783
Closing shareholders' funds	6,690,031	6,503,574