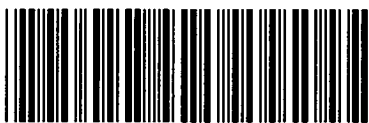


REGISTERED NUMBER: SC075521 (Scotland)

**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 30 April 2015
for
Chardon Trading Limited**

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for the Year Ended 30 April 2015**

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Chardon Trading Limited
Company Information
for the Year Ended 30 April 2015

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

**Group Strategic Report
for the Year Ended 30 April 2015**

The directors present their strategic report of the company and the group for the year ended 30 April 2015.

REVIEW OF BUSINESS

The financial results for the year ended 30 April 2015 are contained in the consolidated profit and loss account on page six of the report and accounts.

The report and accounts reflect the business of the group, which operates in the hotel and leisure sector. During the year the sector benefitted from events in Scotland including the Commonwealth Games and the Ryder Cup. Two further hotels were added to the group portfolio, one in Edinburgh and one in Dunfermline.

Details for the year include :-

- * An increase in total revenue of 52.1% year on year, with an increase of 12.62% in like for like sales
- * Rev par at £60.80 is an increase of 20.40% on the previous year. On a like for like basis rev par increased by 17.04%

Results

Total revenues of £15.291 million (2014 - £10.054 million) increased by 52.1% from the previous year. Operating profit, before interest, depreciation and taxation was £3.861 million (2014 - £2.330 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 enjoyed by much larger hotel groups.

Hotels operation

We continue to invest in the hotels to maintain them to a high standard in a competitive market. We are also becoming more aware of the importance of conserving resources and are making a conscious effort to aid this objective. This reflects the group strategy of developing its core assets to improve quality and standards throughout the group.

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.

**Group Strategic Report
for the Year Ended 30 April 2015**

PRINCIPAL 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.

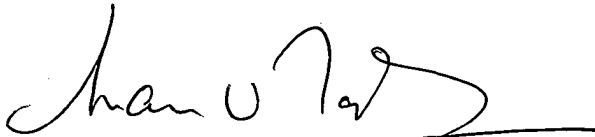
Health and safety

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.

Financial risks

Financial risks remain associated with uncertain consumer spending levels, increasing supplier inflationary prices, wage inflation and unstable utility costs. The hotels operate in a variety of markets including corporate, leisure and functions which mitigates the impact of any drop in consumer spending levels. The Group continues to focus on cost control to maximise efficiencies within the business.

ON BEHALF OF THE BOARD:



Maurice Vincent Taylor - Director

Date: 18/4/15

**Report of the Directors
for the Year Ended 30 April 2015**

The directors present their report with the financial statements of the company and the group for the year ended 30 April 2015.

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2015.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2014 to the date of this report.

Maurice Vincent Taylor
Mrs Frances Una Taylor
Ms Nicola Joan Taylor

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.

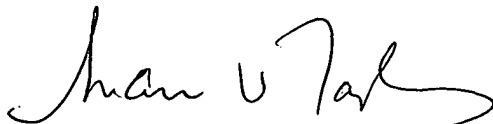
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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: 18/4/15

**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 2015 on pages six to twenty five. 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 four, 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 Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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.

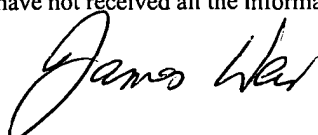
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group Strategic Report and 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: 22/12/15

**Consolidated Profit and Loss Account
for the Year Ended 30 April 2015**

	Notes	30.4.15 £	£	30.4.14 £	£
TURNOVER			15,291,042		10,054,215
Continuing operations		13,817,594		10,054,215	
Acquisitions		1,473,448		-	
		<u>15,291,042</u>		<u>10,054,215</u>	
Cost of sales	2		940,158		769,064
GROSS PROFIT	2		14,350,884		9,285,151
Net operating expenses	2		11,030,221		7,164,773
OPERATING PROFIT	4		3,320,663		2,120,378
Continuing operations		2,995,344		2,120,378	
Acquisitions		325,319		-	
		<u>3,320,663</u>		<u>2,120,378</u>	
Exceptional items	5		-		2,804,631
			3,320,663		(684,253)
Interest receivable and similar income			74,285		4,863
			3,394,948		(679,390)
Interest payable and similar charges	6		954,724		538,882
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			2,440,224		(1,218,272)
Tax on profit/(loss) on ordinary activities	7		509,941		(128,623)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION			1,930,283		(1,089,649)
Minority interest - equity			103,277		-
RETAINED PROFIT/(DEFICIT) FOR THE GROUP CARRIED FORWARD			<u>1,827,006</u>		<u>(1,089,649)</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 2015

	30.4.15 £	30.4.14 £
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	1,827,006	(1,089,649)
Unrealised surplus on revaluation of properties	3,040,544	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>4,867,550</u>	<u>(1,089,649)</u>

Note of Historical Cost Profits and Losses
for the Year Ended 30 April 2015

	30.4.15 £	30.4.14 £
REPORTED PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2,440,224	(1,218,272)
Revaluation depreciation adjustment	203,389	189,376
HISTORICAL COST PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>2,643,613</u>	<u>(1,028,896)</u>
HISTORICAL COST PROFIT/(LOSS) FOR THE YEAR RETAINED AFTER TAXATION AND MINORITY INTERESTS	<u>2,030,395</u>	<u>(900,273)</u>

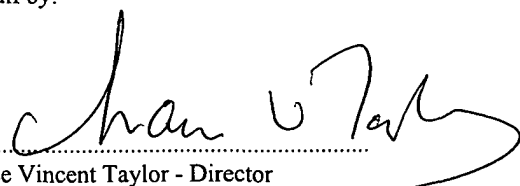
The notes form part of these financial statements

Chardon Trading Limited (Registered number: SC075521)

Consolidated Balance Sheet
30 April 2015

	Notes	30.4.15 £	£	30.4.14 £	£
FIXED ASSETS					
Intangible assets	9		(647,728)		(1,488,188)
Tangible assets	10		48,401,907		33,943,119
Investments	11		-		-
			<u>47,754,179</u>		<u>32,454,931</u>
CURRENT ASSETS					
Stocks	12	45,023		34,998	
Debtors	13	586,713		818,469	
Cash at bank and in hand		2,519,356		2,145,942	
		<u>3,151,092</u>		<u>2,999,409</u>	
CREDITORS					
Amounts falling due within one year	14	9,285,146		4,951,863	
NET CURRENT LIABILITIES			<u>(6,134,054)</u>		<u>(1,952,454)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			41,620,125		30,502,477
CREDITORS					
Amounts falling due after more than one year	15		(18,740,390)		(13,344,770)
PROVISIONS FOR LIABILITIES	19		(550,083)		(325,040)
ACCRUALS AND DEFERRED INCOME	20		(233,333)		(245,833)
MINORITY INTERESTS	21		(641,935)		-
NET ASSETS			<u>21,454,384</u>		<u>16,586,834</u>
CAPITAL AND RESERVES					
Called up share capital	22		866,000		866,000
Share premium	23		5,075,840		5,075,840
Revaluation reserve	23		10,813,001		7,975,846
Profit and loss account	23		4,699,543		2,669,148
SHAREHOLDERS' FUNDS	27		<u>21,454,384</u>		<u>16,586,834</u>

The financial statements were approved by the Board of Directors on 18/12/15 and were signed on its behalf by:


Maurice Vincent Taylor - Director

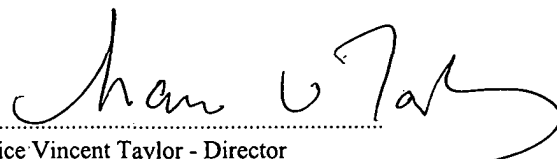
The notes form part of these financial statements

Chardon Trading Limited (Registered number: SC075521)

Company Balance Sheet
30 April 2015

	Notes	30.4.15 £	30.4.14 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	27,100	4,624
Investments	11	17,443,171	13,949,547
		<u>17,470,271</u>	<u>13,954,171</u>
CURRENT ASSETS			
Debtors	13	8,479,753	6,877,859
Cash at bank and in hand		1,000,097	610,855
		<u>9,479,850</u>	<u>7,488,714</u>
CREDITORS			
Amounts falling due within one year	14	6,910,750	1,731,343
NET CURRENT ASSETS		<u>2,569,100</u>	<u>5,757,371</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>20,039,371</u>	<u>19,711,542</u>
CREDITORS			
Amounts falling due after more than one year	15	13,404,390	13,344,770
NET ASSETS		<u>6,634,981</u>	<u>6,366,772</u>
CAPITAL AND RESERVES			
Called up share capital	22	866,000	866,000
Share premium	23	5,075,840	5,075,840
Profit and loss account	23	693,141	424,932
SHAREHOLDERS' FUNDS	27	<u>6,634,981</u>	<u>6,366,772</u>

The financial statements were approved by the Board of Directors on 18/12/15 and were signed on its behalf by:


Maurice Vincent Taylor - Director

The notes form part of these financial statements

**Consolidated Cash Flow Statement
for the Year Ended 30 April 2015**

	Notes	30.4.15 £	£	30.4.14 £	£
Net cash inflow from operating activities	1		4,113,268		626,876
Returns on investments and servicing of finance	2		(899,750)		(547,846)
Taxation	2		(58,928)		(262,523)
Capital expenditure and financial investment	2		(8,413,885)		(227,069)
Acquisitions and disposals	2		(3,887,270)		-
			(9,146,565)		(410,562)
Financing	2		9,535,743		1,179,061
Increase in cash in the period			389,178		768,499
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period		389,178		768,499	
Cash inflow from increase in debt and lease financing		(8,133,000)		(1,215,354)	
Change in net debt resulting from cash flows			(7,743,822)		(446,855)
Movement in net debt in the period			(7,743,822)		(446,855)
Net debt at 1 May			(12,908,611)		(12,461,756)
Net debt at 30 April			(20,652,433)		(12,908,611)

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 April 2015

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

	30.4.15	30.4.14
	£	£
Operating profit	3,320,663	2,120,378
Depreciation charges	542,078	204,231
(Profit)/loss on disposal of fixed assets	(3,185)	859
Accrued income	(12,500)	(4,167)
Exceptional items	(480,000)	(1,729,733)
(Increase)/decrease in stocks	(1,093)	3,525
Decrease/(increase) in debtors	136,304	(193,204)
Increase in creditors	611,001	224,987
Net cash inflow from operating activities	4,113,268	626,876

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

	30.4.15	30.4.14
	£	£
Returns on investments and servicing of finance		
Interest received	74,285	4,863
Interest paid	(974,035)	(552,259)
Interest element of hire purchase or finance lease rentals payments	-	(450)
Net cash outflow for returns on investments and servicing of finance	(899,750)	(547,846)
Taxation		
Taxation paid	(61,302)	(262,523)
Taxation refund	2,374	-
Net cash outflow for taxation	(58,928)	(262,523)
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(250,003)	(33,622)
Purchase of tangible fixed assets	(8,288,882)	(585,197)
Sale of tangible fixed assets	-	266,750
Capital contribution for franchise	125,000	125,000
Net cash outflow for capital expenditure and financial investment	(8,413,885)	(227,069)
Acquisitions and disposals		
Investment in subsidiary undertakings	(4,034,939)	-
Net bank balances acquired	147,669	-
Net cash outflow for acquisitions and disposals	(3,887,270)	-

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 2015**

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

	30.4.15 £	30.4.14 £
Financing		
New loans in year	9,300,000	5,000,000
Loan repayments in year	(842,000)	(3,455,000)
Capital repayments in year	-	(3,396)
Amount introduced by directors	1,208,448	-
Amount withdrawn by directors	-	(362,543)
Repayment to associated undertakings	(788,828)	-
Subscription of shares in subsidiary	658,123	-
Net cash inflow from financing	<u>9,535,743</u>	<u>1,179,061</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.5.14 £	Cash flow £	At 30.4.15 £
Net cash:			
Cash at bank and in hand	2,145,942	373,414	2,519,356
Bank overdrafts	(1,697,820)	15,764	(1,682,056)
	<u>448,122</u>	<u>389,178</u>	<u>837,300</u>
Debt:			
Debts falling due within one year	(860,000)	(3,482,000)	(4,342,000)
Debts falling due after one year	(12,496,733)	(4,651,000)	(17,147,733)
	<u>(13,356,733)</u>	<u>(8,133,000)</u>	<u>(21,489,733)</u>
Total	<u>(12,908,611)</u>	<u>(7,743,822)</u>	<u>(20,652,433)</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 April 2015

4. ACQUISITION OF BUSINESS

Net assets acquired

	£
Tangible fixed assets	3,827,680
Stocks	8,932
Debtors	30,885
Cash at bank and in hand	147,669
Creditors	(334,525)
Deferred taxation	(139,720)
	3,540,921
Goodwill	494,018
	4,034,939
 Satisfied by:	
Cash	4,034,939

The subsidiary undertaking acquired during the year contributed £396,760 to the group's net operating cash flows and utilised £23,890 for capital expenditure

Notes to the Consolidated Financial Statements
for the Year Ended 30 April 2015

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.

Basis of consolidation

The group accounts consolidate the accounts of Chardon Trading Ltd and all its subsidiaries drawn up to 30 April each year.

Turnover

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

Goodwill

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

Intellectual property

Costs relating to the setting up of franchise agreements have been capitalised as intellectual property and are being amortised over the twenty year term of the franchise agreement.

'Key money' of £250,000 was received relating to the franchise agreement for one of the hotels. This has been treated as deferred income in the financial statements and is also being released to the profit and loss account over the term of the franchise agreement.

Tangible fixed assets

Depreciation has been provided on all tangible fixed assets, other than investment properties, at rates calculated to write off the cost or valuation, less estimated residual value, each asset over its expected useful life. During the year the depreciation rates were reviewed to standardise the rates used by all companies within the group. The following rates have been used:

Freehold property	- over estimated useful life of 125 years
Leasehold property	- over the lease term
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

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.

Chardon Trading Limited (Registered number: SC075521)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2015**

2. ANALYSIS OF OPERATIONS

	Continuing £	30.4.15 Acquisitions £	Total £
Cost of sales	<u>875,516</u>	<u>64,642</u>	<u>940,158</u>
Gross profit	<u>12,942,078</u>	<u>1,408,806</u>	<u>14,350,884</u>
Net operating expenses:			
Administrative expenses	10,269,538	1,083,487	11,353,025
Other operating income	(322,804)	-	(322,804)
	<u>9,946,734</u>	<u>1,083,487</u>	<u>11,030,221</u>

	Continuing £	30.4.14 Acquisitions £	Total £
Cost of sales	<u>769,064</u>	<u>-</u>	<u>769,064</u>
Gross profit	<u>9,285,151</u>	<u>-</u>	<u>9,285,151</u>
Net operating expenses:			
Administrative expenses	7,278,087	-	7,278,087
Other operating income	(113,314)	-	(113,314)
	<u>7,164,773</u>	<u>-</u>	<u>7,164,773</u>

3. STAFF COSTS

	30.4.15 £	30.4.14 £
Wages and salaries	3,686,554	2,874,051
Social security costs	269,786	142,183
Other pension costs	44,316	22,771
	<u>4,000,656</u>	<u>3,039,005</u>

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

	30.4.15	30.4.14
General staff	214	192
Administrative staff	12	15
	<u>226</u>	<u>207</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2015

4. OPERATING PROFIT

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

	30.4.15	30.4.14
	£	£
Other operating leases	288,883	228,460
Depreciation - owned assets	757,982	464,085
(Profit)/loss on disposal of fixed assets	(3,185)	859
Goodwill amortisation	(235,442)	(260,414)
Patents and licences amortisation	19,538	560
Auditors' remuneration	42,591	34,061
	<u> </u>	<u> </u>
Directors' remuneration	231,881	201,296
Directors' pension contributions to money purchase schemes	24,600	10,783
	<u> </u>	<u> </u>

Information regarding the highest paid director is as follows:

	30.4.15	30.4.14
	£	£
Emoluments etc	90,583	79,735
Pension contributions to money purchase schemes	-	2,400
	<u> </u>	<u> </u>

5. EXCEPTIONAL ITEMS

	30.04.15	30.04.14
	£	£
Provision for associated company	-	624,002
Compensation for loss of office	-	60,000
Exceptional rebranding and refurbishment costs	-	2,120,629
	<u> </u>	<u> </u>
	-	2,804,631
	<u> </u>	<u> </u>

During the year ended 30 April 2014 the exceptional items consisted of the following:

The directors considered the recoverability of the balance due from Chardon Hotels Ltd, an associated company, and took the view that recoverability of the debt was unlikely. A further provision of £624,002 was therefore incorporated in the financial statements.

Compensation for loss of office of £60,000 was paid to the directors of Bettagrade Ltd at the time of their resignation.

During the previous year the group completed an extensive refurbishment contract and rebranding exercise on its Edinburgh airport hotel. The related costs of £2,120,629 were treated as an exceptional item.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	30.4.15	30.4.14
	£	£
Bank interest	-	5,023
Bank loan interest	953,768	533,409
Other interest	956	-
Hire purchase	-	450
	<u> </u>	<u> </u>
	954,724	538,882
	<u> </u>	<u> </u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2015

7. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	30.4.15 £	30.4.14 £
Current tax:		
UK corporation tax	425,655	-
Adjustment to prior year	(1,037)	(47,876)
Total current tax	424,618	(47,876)
Deferred tax	85,323	(80,747)
Tax on profit/(loss) on ordinary activities	<u>509,941</u>	<u>(128,623)</u>

UK corporation tax has been charged at 20.92% (2014 - 22.84%).

Factors affecting the tax charge/(credit)

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

	30.4.15 £	30.4.14 £
Profit/(loss) on ordinary activities before tax	<u>2,440,224</u>	<u>(1,218,272)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.920% (2014 - 22.840%)	510,495	(278,253)
Effects of:		
Expenses not deductible for tax purposes	6,251	146,790
Depreciation in excess of capital allowances	24,943	23,268
Adjustments to tax charge in respect of previous periods	(1,037)	(47,876)
Group goodwill adjustment	(49,425)	(59,479)
Small company rate relief	-	(1,791)
Computational adjustments	-	53,410
Creation/utilisation of tax losses	(65,673)	115,043
Other tax adjustments	(936)	1,012
Current tax charge/(credit)	<u>424,618</u>	<u>(47,876)</u>

8. 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 £268,209 (2014 - £(323,259) loss).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2015

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Totals £
COST			
At 1 May 2014	(3,906,200)	33,622	(3,872,578)
Additions	374,553	250,003	624,556
At 30 April 2015	(3,531,647)	283,625	(3,248,022)
AMORTISATION			
At 1 May 2014	(2,384,950)	560	(2,384,390)
Amortisation for year	(235,442)	19,538	(215,904)
At 30 April 2015	(2,620,392)	20,098	(2,600,294)
NET BOOK VALUE			
At 30 April 2015	(911,255)	263,527	(647,728)
At 30 April 2014	(1,521,250)	33,062	(1,488,188)

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 May 2014	8,283,794	25,602,058	3,561,512	29,870	37,477,234
Additions	-	11,433,974	691,293	61,974	12,187,241
Disposals	-	-	(52,130)	(29,870)	(82,000)
Revaluations	1,587,413	743,703	-	-	2,331,116
At 30 April 2015	9,871,207	37,779,735	4,200,675	61,974	51,913,591
DEPRECIATION					
At 1 May 2014	73,684	566,370	2,874,799	19,262	3,534,115
Charge for year	36,842	430,364	275,519	15,257	757,982
Eliminated on disposal	-	-	(51,723)	(19,262)	(70,985)
Revaluation adjustments	(110,526)	(598,902)	-	-	(709,428)
At 30 April 2015	-	397,832	3,098,595	15,257	3,511,684
NET BOOK VALUE					
At 30 April 2015	9,871,207	37,381,903	1,102,080	46,717	48,401,907
At 30 April 2014	8,210,110	25,035,688	686,713	10,608	33,943,119

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2015

10. TANGIBLE FIXED ASSETS - continued

Group

On 15 July 2015, the hotel properties (including hotel fittings) in two of the subsidiaries were revalued by DTZ, Chartered Surveyors, at a value of £22,450,000. 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 now owned by the group would be £22,771,517 (2014 - £12,199,150).

The land owned by one of the subsidiaries at 161-165 West Nile St, Glasgow was revalued on the same date at a value of £4,885,000, which has also been incorporated in the financial statements. The land held at 66-74 Broomielaw in Glasgow is included at valuation. In the directors' opinion the valuation is not significantly different from the historic cost. On a historical cost basis the net book value of both pieces of land would be £530,954 (2014 - £530,954).

Company

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 May 2014	-	10,960	10,960
Additions	1,728	34,289	36,017
Disposals	-	(10,960)	(10,960)
At 30 April 2015	1,728	34,289	36,017
DEPRECIATION			
At 1 May 2014	-	6,336	6,336
Charge for year	345	8,572	8,917
Eliminated on disposal	-	(6,336)	(6,336)
At 30 April 2015	345	8,572	8,917
NET BOOK VALUE			
At 30 April 2015	1,383	25,717	27,100
At 30 April 2014	-	4,624	4,624

Chardon Trading Limited (Registered number: SC075521)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2015**

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
Chardon Edinburgh (RM) Ltd	Ordinary shares	80.29%	Hotels
Chardon Edinburgh Airport Ltd	Ordinary shares	100%	Dormant
Dunfermline Express Hotel Ltd	Ordinary shares	100%	Hotels

Company

	Subsidiary Undertakings £
Cost at 1 May 2014	13,949,547
Additions in year	3,493,624
Cost at 30 April 2015	<u>17,443,171</u>

In May 2014 Chardon Trading Ltd acquired the entire share capital of Dunfermline Express Hotel Ltd for a consideration of £1,768,407 which was paid in cash.

On the same date it subscribed for additional shares in Chardon Edinburgh (RM) Ltd. at a cost of £1,725,217.

12. STOCKS

	Group	
	30.4.15	30.4.14
	£	£
Stocks	<u>45,023</u>	<u>34,998</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.4.15	30.4.14	30.4.15	30.4.14
	£	£	£	£
Trade debtors	400,440	339,461	18,047	11,253
Amounts owed by group undertakings	-	-	8,453,813	6,853,806
Sundry debtors	6,856	129,215	6,856	-
Tax	46,539	47,876	1,037	-
VAT	-	179,012	-	-
Prepayments	132,878	122,905	-	12,800
	<u>586,713</u>	<u>818,469</u>	<u>8,479,753</u>	<u>6,877,859</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2015

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.4.15	30.4.14	30.4.15	30.4.14
	£	£	£	£
Bank loans and overdrafts (see note 16)	6,024,056	2,557,820	5,638,729	1,485,068
Trade creditors	964,300	500,696	-	-
Amounts owed to group undertakings	-	-	1,200,618	179,100
Taxation	425,676	-	-	-
Social security and other taxes	275,721	236,537	21,875	15,835
Accrued expenses	1,595,393	1,656,810	49,528	51,340
	<u>9,285,146</u>	<u>4,951,863</u>	<u>6,910,750</u>	<u>1,731,343</u>

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

	Group		Company	
	30.4.15	30.4.14	30.4.15	30.4.14
	£	£	£	£
Bank loans (see note 16)	16,441,000	11,465,000	11,105,000	11,465,000
Directors' loans (see note 16)	706,733	1,031,733	706,733	1,031,733
Other creditors	-	788,828	-	788,828
Advances from directors	1,592,657	59,209	1,592,657	59,209
	<u>18,740,390</u>	<u>13,344,770</u>	<u>13,404,390</u>	<u>13,344,770</u>

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	30.4.15	30.4.14	30.4.15	30.4.14
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	1,682,056	1,697,820	1,528,729	625,068
Bank loans	4,342,000	860,000	4,110,000	860,000
	<u>6,024,056</u>	<u>2,557,820</u>	<u>5,638,729</u>	<u>1,485,068</u>
Amounts falling due between one and two years:				
Bank loans	5,092,000	860,000	4,860,000	860,000
Directors' loans	706,733	1,031,733	706,733	1,031,733
	<u>5,798,733</u>	<u>1,891,733</u>	<u>5,566,733</u>	<u>1,891,733</u>
Amounts falling due between two and five years:				
Bank loans	11,349,000	10,605,000	6,245,000	10,605,000

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**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2015**

17. OPERATING LEASE COMMITMENTS

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

Group

	Land and buildings		Other operating leases	
	30.4.15	30.4.14	30.4.15	30.4.14
	£	£	£	£
Expiring:				
Within one year	-	-	14,999	9,702
Between one and five years	-	-	16,695	29,652
In more than five years	122,156	110,000	-	-
	<u>122,156</u>	<u>110,000</u>	<u>31,694</u>	<u>39,354</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	30.4.15	30.4.14	30.4.15	30.4.14
	£	£	£	£
Bank overdraft	1,682,056	1,697,820	1,528,729	625,068
Bank loans	20,783,000	12,325,000	15,215,000	12,325,000
	<u>22,465,056</u>	<u>14,022,820</u>	<u>16,743,729</u>	<u>12,950,068</u>

Cross guarantees exist between the 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	
	30.4.15	30.4.14
	£	£
Deferred tax	<u>550,083</u>	<u>325,040</u>
Group		
		Deferred tax
		£
Balance at 1 May 2014		325,040
Capital allowances in advance of depreciation		155,306
Loss relief		<u>69,737</u>
Balance at 30 April 2015		<u>550,083</u>

Chardon Trading Limited (Registered number: SC075521)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2015**

19. PROVISIONS FOR LIABILITIES - continued

Deferred Tax Provision

	30.4.15	30.4.14
	£	£
Capital Allowances in advance of depreciation	550,083	394,777
Loss relief	-	(69,737)
	<u>550,083</u>	<u>325,040</u>

20. ACCRUALS AND DEFERRED INCOME

	Group	
	30.4.15	30.4.14
	£	£
Accruals and deferred income	<u>233,333</u>	<u>245,833</u>

21. MINORITY INTERESTS

The minority interests represents a holding of 22.6% of the ordinary share capital in Chardon Edinburgh (RM) Ltd (see note 11). The holders of those shares have no rights against any other group company.

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.4.15	30.4.14
			£	£
866,000	Ordinary	£1	<u>866,000</u>	<u>866,000</u>

23. RESERVES

Group

	Profit and loss account	Share premium	Revaluation reserve	Totals
	£	£	£	£
At 1 May 2014	2,669,148	5,075,840	7,975,846	15,720,834
Profit for the year	1,827,006	-	-	1,827,006
Revaluation in year	-	-	3,040,544	3,040,544
Depreciation on revalued amount	203,389	-	(203,389)	-
At 30 April 2015	<u>4,699,543</u>	<u>5,075,840</u>	<u>10,813,001</u>	<u>20,588,384</u>

Company

	Profit and loss account	Share premium	Totals
	£	£	£
At 1 May 2014	424,932	5,075,840	5,500,772
Profit for the year	268,209	-	268,209
At 30 April 2015	<u>693,141</u>	<u>5,075,840</u>	<u>5,768,981</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2015

23. **RESERVES - continued**

24. **CAPITAL COMMITMENTS**

	30.4.15 £	30.4.14 £
Contracted but not provided for in the financial statements	-	-

25. **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 two years. The amount outstanding at the balance sheet date is £706,733 (2014 - £1,031,733)

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 2015 totalled £1,592,657 (2014 - £59,209).

26. **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 other creditors is an amount of £nil (2014 - £563,828) due to Thistle Perth LLP. Nicola Taylor and Adam Armstrong are the sole partners of that organisation.

Included in other creditors is an amount of £nil (2014 - £225,000) due to Thistle Investments SA, an organisation registered in Luxembourg. Nicola Taylor is a director and holds a controlling interest in that organisation.

Thistle Car Parking Ltd, a company in which both Adam Armstrong and Nicola Taylor are directors and shareholders, sold services totalling £116,455 (2014 - £34,065) on normal commercial terms to the group and received services of £11,971 (2014 - £4,215). Included in creditors is a balance of £29,469 (2014 - £40,878) due to that company and the sum of nil (2014 - £4,215), which was due by that company, is included in debtors.

Armstrongs, Chartered Accountants, received fees of £42,558 (2014 - £34,000) during the year. Adam Armstrong is the proprietor of that organisation.

27. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

Group

	30.4.15 £	30.4.14 £
Profit/(loss) for the financial year	1,827,006	(1,089,649)
Other recognised gains and losses relating to the year (net)	3,040,544	-
Net addition/(reduction) to shareholders' funds	4,867,550	(1,089,649)
Opening shareholders' funds	16,586,834	17,676,483
Closing shareholders' funds	21,454,384	16,586,834

Chardon Trading Limited (Registered number: SC075521)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2015**

27. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company

	30.4.15 £	30.4.14 £
Profit/(loss) for the financial year	268,209	(323,259)
Net addition/(reduction) to shareholders' funds	268,209	(323,259)
Opening shareholders' funds	6,366,772	6,690,031
Closing shareholders' funds	<u>6,634,981</u>	<u>6,366,772</u>