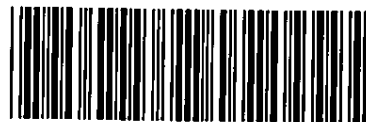


P B DEVELOPMENT COMPANY LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

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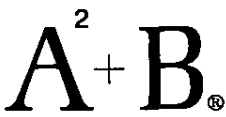
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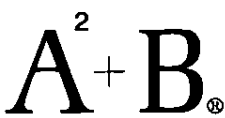
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P B DEVELOPMENT COMPANY LIMITED

COMPANY INFORMATION



COMPANY SECRETARY	Paull & Williamsons LLP
COMPANY NUMBER	SC097813
REGISTERED OFFICE	Union Plaza, 6th Floor, 1 Union Wynd Aberdeen AB10 1DQ



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Cash flow statement	7
Notes to the financial statements	8 - 17

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2011**

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The director presents his report and the financial statements for the year ended 31 March 2011.

PRINCIPAL ACTIVITIES

The principal activity of the company consists of the provision of catering foods, drinks and entertainment.

The director is satisfied with the results for the year.

BUSINESS REVIEW

Development and performance

During the year the company experienced difficult market conditions and, although there has been a slight drop in turnover, the gross margin achieved has remained constant, a reflection of the consistency of operations.

Principal risks and uncertainties

The company is exposed to trends and fashions which affect all such businesses in the industry, however, the director believes that the diversity offered across the venues and a constant willingness to change in line with customer demands mitigates the risk to an acceptable level.

RESULTS

The profit for the year, after taxation, amounted to £473,350 (2010 - £303,903).

DIRECTOR

The director who served during the year was:

S A Clarkson

PROVISION OF INFORMATION TO AUDITORS

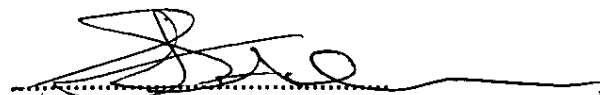
The director at the time when this Director's report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Anderson Anderson & Brown LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

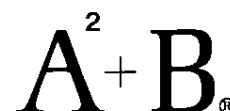
This report was approved by the board and signed on its behalf.



S A Clarkson
Director

Date: 15/11/11

**DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2011**



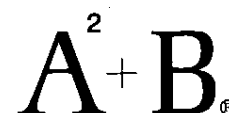
The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
P B DEVELOPMENT COMPANY LIMITED**



We have audited the financial statements of P B Development Company Limited for the year ended 31 March 2011, set out on pages 5 to 17. 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 an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company 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 DIRECTOR AND AUDITORS

As explained more fully in the Statement of director's responsibilities, the director is 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 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's report 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

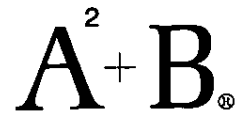
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its 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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
P B DEVELOPMENT COMPANY LIMITED



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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Anderson Anderson & Brown LLP

John Black (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown LLP

Statutory Auditor

9 Queens Road

Aberdeen

AB15 4YL

Date:

15 November 2011

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011**

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	Note	2011 £	2010 £
TURNOVER	1	4,592,561	4,743,029
Cost of sales		(1,326,885)	(1,365,652)
GROSS PROFIT		3,265,676	3,377,377
Administrative expenses		(2,640,364)	(2,846,277)
OPERATING PROFIT	2	625,312	531,100
EXCEPTIONAL ITEMS	3		
Other exceptional items	3	-	(100,000)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		625,312	431,100
Interest receivable and similar income		127,864	95,198
Interest payable and similar charges	6	(80,085)	(38,462)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		673,091	487,836
Tax on profit on ordinary activities	7	(199,741)	(183,933)
PROFIT FOR THE FINANCIAL YEAR		473,350	303,903

All amounts relate to continuing operations.

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account.

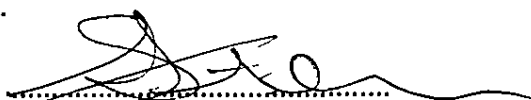
The notes on pages 8 to 17 form part of these financial statements.

**BALANCE SHEET
AS AT 31 MARCH 2011**

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	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	8		2,828,680		2,907,011
CURRENT ASSETS					
Stocks	9	102,754		86,848	
Debtors: amounts falling due after more than one year	10	523,932		2,392,398	
Debtors: amounts falling due within one year	10	247,795		195,012	
Cash at bank and in hand		2,164,696		357,257	
		<u>3,039,177</u>		<u>3,031,515</u>	
CREDITORS: amounts falling due within one year	11	<u>(1,619,990)</u>		<u>(1,699,225)</u>	
NET CURRENT ASSETS			1,419,187		1,332,290
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,247,867</u>		<u>4,239,301</u>
CREDITORS: amounts falling due after more than one year	12		(1,520,362)		(1,982,661)
PROVISIONS FOR LIABILITIES					
Deferred tax	13		(119,472)		(121,957)
NET ASSETS			<u>2,608,033</u>		<u>2,134,683</u>
CAPITAL AND RESERVES					
Called up share capital	14		10		10
Profit and loss account	15		2,608,023		2,134,673
SHAREHOLDERS' FUNDS	16		<u>2,608,033</u>		<u>2,134,683</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



S A Clarkson
Director

Date: 15/11/11

The notes on pages 8 to 17 form part of these financial statements.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2011**

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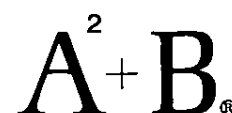
	Note	2011 £	2010 £
Net cash flow from operating activities	17	676,127	1,036,846
Returns on investments and servicing of finance	18	47,779	56,736
Taxation		(164,237)	(247,123)
Capital expenditure and financial investment	18	(66,769)	228
Equity dividends paid		-	(500,000)
CASH INFLOW BEFORE FINANCING		492,900	346,687
Financing	18	1,314,539	(486,323)
INCREASE/(DECREASE) IN CASH IN THE YEAR		1,807,439	(139,636)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MARCH 2011**

	2011 £	2010 £
Increase/(Decrease) in cash in the year	1,807,439	(139,636)
Cash outflow from decrease in debt and lease financing	433,374	(468,949)
MOVEMENT IN NET DEBT IN THE YEAR	2,240,813	(608,585)
Net debt at 1 April 2010	(2,112,178)	(1,503,593)
NET FUNDS/(DEBT) AT 31 MARCH 2011	128,635	(2,112,178)

The notes on pages 8 to 17 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011



1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Heritable property	-	15-50 years
Furniture, fixtures and equipment	-	5-10 years
Motor vehicles	-	5 years

Base stock is not depreciated.

1.3 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.4 Pensions

The company contributes to the personal pension scheme of the director. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

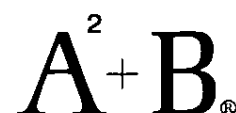
1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011



2. OPERATING PROFIT

The operating profit is stated after charging:

	2011 £	2010 £
Depreciation of tangible fixed assets: - owned by the company	145,100	195,882
Auditors' remuneration	10,730	10,400
Loss on disposal of fixed assets	-	14,107
	<u>155,830</u>	<u>220,389</u>

3. EXCEPTIONAL ITEMS

	2011 £	2010 £
Provision made against doubtful debts from related party (Note 20)	-	100,000
	<u>-</u>	<u>100,000</u>

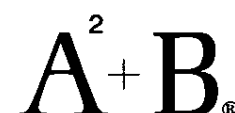
4. STAFF COSTS

Staff costs, including director's remuneration, were as follows:

	2011 £	2010 £
Wages and salaries	1,429,553	1,621,636
Social security costs	133,922	132,467
Other pension costs	4,532	4,532
	<u>1,568,007</u>	<u>1,758,635</u>

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

	2011 No.	2010 No.
Management and administration	12	8
Bar/Restaurant - full time	29	39
Bar/Restaurant - part time	78	87
	<u>119</u>	<u>134</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

5. DIRECTOR'S REMUNERATION

	2011 £	2010 £
Emoluments	316,622	412,821
Company pension contributions to defined contribution pension schemes	4,532	4,532

During the year retirement benefits were accruing to 1 director (2010 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £316,622 (2010 - £509,972).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,532 (2010 - £4,532).

6. INTEREST PAYABLE

	2011 £	2010 £
On bank loans and overdrafts	38,924	33,284
On other loans	40,000	771
On finance leases and hire purchase contracts	-	1,361
Other interest payable	1,161	3,046
	80,085	38,462

7. TAXATION

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	201,442	201,717
Adjustments in respect of prior periods	784	(741)
Total current tax	202,226	200,976
Deferred tax (see note 13)		
Origination and reversal of timing differences	(2,485)	(17,043)
Tax on profit on ordinary activities	199,741	183,933

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

7. TAXATION (continued)

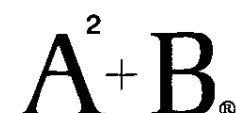
Factors affecting tax charge for the year

The tax assessed for the year is higher than (2010 - higher than) the standard rate of corporation tax in the UK of 28% (2010 - 28%). The differences are explained below:

	2011 £	2010 £
Profit on ordinary activities before tax	673,091	487,836
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 - 28%)	188,465	136,594
Effects of:		
Fixed asset expenditure not deductible	17,438	15,432
Capital allowances for year in excess of depreciation	(6,292)	-
Marginal relief	(435)	-
Disallowed expenses and provisions	3,414	32,492
Loss carried back repayment	(1,148)	-
Adjustments to tax charge in respect of prior periods	784	(741)
Depreciation in excess of capital allowances	-	17,199
Current tax charge for the year (see note above)	202,226	200,976

8. TANGIBLE FIXED ASSETS

	Heritable property £	Furniture, fixtures and fittings £	Motor vehicles £	Basestock, cutlery and glassware £	Total £
Cost					
At 1 April 2010	3,279,800	1,239,405	69,626	28,674	4,617,505
Additions	2,493	64,276	-	-	66,769
At 31 March 2011	3,282,293	1,303,681	69,626	28,674	4,684,274
Depreciation					
At 1 April 2010	616,494	1,042,199	51,801	-	1,710,494
Charge for the year	61,818	74,285	8,997	-	145,100
At 31 March 2011	678,312	1,116,484	60,798	-	1,855,594
Net book value					
At 31 March 2011	2,603,981	187,197	8,828	28,674	2,828,680
At 31 March 2010	2,663,306	197,206	17,825	28,674	2,907,011

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

8. TANGIBLE FIXED ASSETS (continued)

The land element of heritable property is not considered material by the director, therefore the full cost of heritable property is depreciated, except for an investment property with cost and net book value of £155,284, which is not depreciated.

9. STOCKS

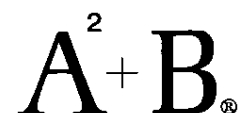
	2011 £	2010 £
Finished goods and goods for resale	102,754	86,848

10. DEBTORS

	2011 £	2010 £
Due after more than one year		
Amounts owed by related parties (Note 20)	523,932	2,392,398
Due within one year		
Trade debtors	35,139	11,692
Amounts owed by related parties (Note 20)	149,495	32,013
Other debtors	24,649	47,679
Prepayments and accrued income	28,681	93,797
Tax recoverable	9,831	9,831
	247,795	195,012

There are no scheduled terms for repayment of the longer term debtor. The director has received confirmation from the directors of the related undertakings that the debt will be repaid.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011



11. CREDITORS:

Amounts falling due within one year

	2011 £	2010 £
Bank loans	400,000	400,000
Other loans	115,699	86,774
Trade creditors	336,441	313,271
Amounts owed to related parties (Note 20)	-	3,071
Corporation tax	350,440	312,451
Social security and other taxes	172,751	219,397
Director's current account (Note 20)	111,279	2,849
Other creditors	23,173	328
Accruals and deferred income	110,207	361,084
	<u>1,619,990</u>	<u>1,699,225</u>

The bank loan is secured by a standard security over two of the company's properties, and a bond and floating charge over the company's assets and undertakings.

The company has also granted cross guarantees granted in favour of Carlton Rock Limited of £500,000 and Granite Rock Casino Limited of £1,100,000.

12. CREDITORS:

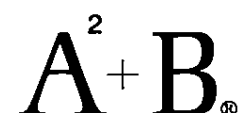
Amounts falling due after more than one year

	2011 £	2010 £
Bank loans	600,000	1,000,000
Other loans	920,362	982,661
	<u>1,520,362</u>	<u>1,982,661</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2011 £	2010 £
Other loans	-	18,547
	<u>-</u>	<u>18,547</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011



13. DEFERRED TAXATION

	2011 £	2010 £
At beginning of year	121,957	139,000
Released during year	(2,485)	(17,043)
At end of year	<u>119,472</u>	<u>121,957</u>

The provision for deferred taxation is made up as follows:

	2011 £	2010 £
Accelerated capital allowances	<u>119,472</u>	<u>121,957</u>

14. SHARE CAPITAL

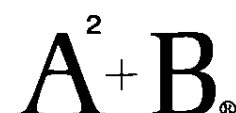
	2011 £	2010 £
Allotted, called up and fully paid		
10 Ordinary shares shares of £1 each	<u>10</u>	<u>10</u>

15. RESERVES

	Profit and loss account £
At 1 April 2010	2,134,673
Profit for the year	473,350
At 31 March 2011	<u>2,608,023</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	2,134,683	2,330,780
Profit for the year	473,350	303,903
Dividends	-	(500,000)
Closing shareholders' funds	<u>2,608,033</u>	<u>2,134,683</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	625,312	531,100
Exceptional items	-	(100,000)
Depreciation of tangible fixed assets	145,100	195,882
Loss on disposal of tangible fixed assets	-	14,107
(Increase)/decrease in stocks	(15,907)	4,936
Decrease in debtors	64,700	484,124
Decrease in creditors	(143,078)	(93,303)
Net cash inflow from operating activities	676,127	1,036,846

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	127,864	95,198
Interest paid	(80,085)	(37,101)
Hire purchase interest	-	(1,361)
Net cash inflow from returns on investments and servicing of finance	47,779	56,736

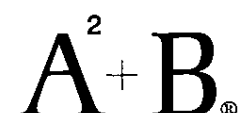
	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(66,769)	(15,772)
Sale of tangible fixed assets	-	16,000
Net cash (outflow)/inflow from capital expenditure	(66,769)	228

	2011 £	2010 £
Financing		
Repayment of loans	(400,000)	(32,366)
Other new loans	-	501,315
Repayment of other loans	(33,374)	-
Related party financing	1,747,913	(955,272)
Net cash inflow/(outflow) from financing	1,314,539	(486,323)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011A²+B[®]

19. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2010 £	Cash flow £	Other non-cash changes £	31 March 2011 £
Cash at bank and in hand	357,257	1,807,439	-	2,164,696
Debt:				
Debts due within one year	(486,774)	433,374	(462,299)	(515,699)
Debts falling due after more than one year	(1,982,661)	-	462,299	(1,520,362)
Net debt	<u>(2,112,178)</u>	<u>2,240,813</u>	<u>-</u>	<u>128,635</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

20. RELATED PARTY TRANSACTIONS

Control

Throughout the year the company was controlled by the director.

Transactions

During the year the company had the following transactions with related parties:

Related party	Transaction	Movement in year £	Debtor/(creditor) balance at year end £
S Clarkson, director and Cotton House (an unincorporated entity owned by the director)	Loan	(93,640)	39,944
L Clarkson, wife of director	Loan	(13,401)	
	Interest	(40,000)	<u>(554,716)</u>
Carlton Rock Limited (a company in which S Clarkson is a director)	Recharges of expenses	24,806	2,100
	Sales	19,879	1,149
	Loan, due in more than one year	(1,890,000)	100,000
	Interest	(126,498)	370
The Forum Bar and Club Limited	Sales	22,182	8,317
	Purchases	(3,575)	175
	Loan, due in more than one year	(10,000)	87,626
Granite Rock Casino Limited (a company in which S Clarkson is a director)	Recharge of expenses	22,680	22,680
	Sales	113,036	127,081
	Bad debt provision against sales	-	(12,007)
	Loan, due in more than one year	23,999	785,083
	Bad debt provision against loan	-	(600,000)

The loan to Carlton Rock Limited has no fixed repayment terms. Interest is charged at a commercial rate on the balance outstanding.

The loan from Stuart Clarkson has no fixed repayment terms, no interest is charged and the maximum balance due in the year was £208,004.

The loan from Lynne Clarkson has no fixed repayment terms. Interest is charged at 8% per annum. The maximum balance due in the year was £554,716.