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MONTPELIERS (EDINBURGH) LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2012

Company Registration Number SC163913

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MONTPELIERS (EDINBURGH) LIMITED
FINANCIAL STATEMENTS
PERIOD FROM 25 APRIL 2011 TO 29 APRIL 2012

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MONTPELIERS (EDINBURGH) LIMITED

KEY INFORMATION

PERIOD ENDED 29 APRIL 2012

Operating units	Candy Bar Indigo Yard Lulu Montpeliers Opal Lounge Ricks Tigerlily
The board of directors	R S Elliott D A Wither W L Elliott R F Wither K D S Ross I J Bolt D A S Johnston
Company secretary	D A Wither
Business address	29 Queensferry Street Edinburgh EH2 4QS
Registered office	29 Queensferry Street Edinburgh EH2 4QS
Auditor	RSM Tenon Audit Limited 160 Dundee Street Edinburgh EH11 1DQ
Bankers	Bank of Scotland 38 St Andrew Square Edinburgh EH1 2YR
Solicitors	HBJ Gateley Exchange Tower 19 Canning Street Edinburgh EH3 8EH

MONTPELIERS (EDINBURGH) LIMITED

THE DIRECTORS' REPORT

PERIOD FROM 25 APRIL 2011 TO 29 APRIL 2012

The directors present their report and the financial statements of the company for the period from 25 April 2011 to 29 April 2012.

Principal activities

During the course of the period the company continued to trade as restaurateurs, hoteliers, bar and nightclub operators at premises in Edinburgh.

Performance overview

The company traded most satisfactorily during the 53 week period.

Turnover was slightly ahead of the previous year, even without much contribution from Assembly, a tied-leasehold unit which was disposed of in the early part of the period. All the units traded well and achieved more than the targets set by the Board, with Tigerlily and the two nightclubs, Lulu and The Opal Lounge, contributing the bulk of operating profits.

Key performance indicators

The massive increase in pre-tax profit, from £101k to £1.536m, was primarily driven by excellent margins at all levels and tight control of labour and operating overheads. Marketing tactics, which were streamlined to focus more on the requirements of particular customer groups, were also highly influential in the success achieved.

Other positive factors were reduced depreciation charges and finance costs, the latter due to continuing low interest rates on borrowings which are reducing as each year passes. Net debt at the end of the year was down by £1.8m from £10m to £8.2m.

These exceptional results are a testimony to the skills and commitment of the senior executive team and to all staff within the units and at head office. We will continue to invest heavily in the training of our staff which has been a key part of our strategy for many years now. Our staff are our bedrock for the future and we thank them for their outstanding performance throughout a period of trading when the economic backcloth was again not favourable.

The company's heritable and leasehold properties held at that time were revalued in November 2012 by DM Hall, Chartered Surveyors, Edinburgh at a value of £23,065,000. The properties were revalued at estimated realisation price having regard to the trading potential of the business. The surplus arising was transferred to revaluation reserve. The valuations were reviewed by the directors as at the year end and no adjustment to valuation was deemed necessary.

Principal risks and uncertainties

There are a number of potential risks and uncertainties which have been identified within the business and could have a material impact on the long-term performance.

Market Competition

The directors have assessed one of the main risks facing the company as being the continuing increase in competition from existing and new operators within Edinburgh. We believe that the reputation which we have earned for the quality and relevance of our customer offers, allied to our commitment to strive for excellence in customer service, will help mitigate the threat from increased competition in the licensed trade within the city.

Legislation

The directors have assessed the other main risk facing the company as being increased legislation and compliance requirements. The directors believe that the quality of continual staff training will help mitigate this risk.

MONTPELIERS (EDINBURGH) LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 25 APRIL 2011 TO 29 APRIL 2012

Management of funding risk

The treasury function is managed centrally to support the operating activities of the company. Its primary role is to ensure that adequate resources are available to meet the short and long term funding requirements for the company and that any funding risks arising from company activities are effectively identified and managed.

Management of interest rate risk

The company's borrowings are primarily in relation to the purchase of properties and premises which are held as long-term assets. Accordingly a long-term view is adopted when reviewing interest rate risk.

Economic Background

Edinburgh is not immune from the impact of the recessionary conditions which have prevailed since the credit crunch of 2007/08. The directors' view is that consumers will continue to protect their discretionary spend very carefully and cautiously and we are well aware that value for money has to be offered if success is to be achieved. It is our view that the coming two years will be even more challenging than the four years which have elapsed since the credit crunch triggered global recession. To mitigate this risk we will endeavour to tailor our marketing strategy to deliver customer satisfaction throughout the range of our activities.

Results and dividends

The profit for the period, after taxation, amounted to £1,124,430. Particulars of dividends paid are detailed in note 9 to the financial statements.

Financial risk management objectives and policies

The company finances its operations through a mixture of trading cash flow and bank borrowings to fund significant capital and development expenditure. The objectives are to:

- Retain sufficient funds to enable the group to meet its day to day obligations as they fall due whilst maximising returns on surplus funds;
- Minimise the group's exposure to fluctuating interest rates when securing new borrowings; and
- Match the repayment schedule of any external borrowings with the future cash flows expected to arise from the group's trading activities.

Directors

The directors who served the company during the period were as follows:

R S Elliott
D A Wither
W L Elliott
R F Wither
K D S Ross
I J Bolt
K A Calvert
D A S Johnston

I J Bolt was appointed as a director on 22 March 2012.

K A Calvert resigned as a director on 18 April 2012.

MONTPELIERS (EDINBURGH) LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 25 APRIL 2011 TO 29 APRIL 2012

Directors' responsibilities

The directors are responsible for preparing the Directors' Report 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 of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are, individually, aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the period, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

MONTPELIERS (EDINBURGH) LIMITED

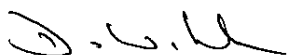
THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 25 APRIL 2011 TO 29 APRIL 2012

Auditor

RSM Tenon Audit Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the directors



D A Wither
Company secretary

Approved by the directors on 22 January 2013

MONTPELIERS (EDINBURGH) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MONTPELIERS (EDINBURGH) LIMITED
PERIOD FROM 25 APRIL 2011 TO 29 APRIL 2012

We have audited the financial statements of Montpeliers (Edinburgh) Limited for the period from 25 April 2011 to 29 April 2012 on pages 8 to 25. 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 auditor's 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 directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual 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 29 April 2012 and of its profit for the period 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

MONTPELIERS (EDINBURGH) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MONTPELIERS (EDINBURGH) LIMITED *(continued)***

PERIOD FROM 25 APRIL 2011 TO 29 APRIL 2012

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



John McLeod, Senior Statutory Auditor
For and on behalf of



RSM Tenon Audit Limited
Statutory Auditor
160 Dundee Street
Edinburgh
EH11 1DQ

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MONTPELIERS (EDINBURGH) LIMITED

PROFIT AND LOSS ACCOUNT

PERIOD FROM 25 APRIL 2011 TO 29 APRIL 2012

	Note	Period from 25 Apr 11 to 29 Apr 12 £	Period from 26 Apr 10 to 24 Apr 11 £
Turnover	2	15,631,525	15,250,651
Cost of sales		(7,016,852)	(6,806,403)
Gross profit		<u>8,614,673</u>	<u>8,444,248</u>
Administrative expenses		(7,636,659)	(8,526,315)
Other operating income	3	861,731	667,285
Operating profit	4	<u>1,839,745</u>	<u>585,218</u>
Interest receivable		1,875	—
Interest payable and similar charges	7	(305,628)	(483,794)
Profit on ordinary activities before taxation		<u>1,535,992</u>	<u>101,424</u>
Tax on profit on ordinary activities	8	(411,562)	(219,004)
Profit/(loss) for the financial period		<u><u>1,124,430</u></u>	<u><u>(117,580)</u></u>

All of the activities of the company are classed as continuing.

The notes on pages 12 to 25 form part of these financial statements.

MONTPELIERS (EDINBURGH) LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
PERIOD FROM 25 APRIL 2011 TO 29 APRIL 2012

	Period from 25 Apr 11 to 29 Apr 12 £	<i>Period from 26 Apr 10 to 24 Apr 11 £</i>
Profit/(loss) for the financial period attributable to the shareholders	1,124,430	(117,580)
Unrealised profit on revalued estate	<u>4,009,478</u>	<u>—</u>
Total gains and losses recognised since the last annual report	<u>5,133,908</u>	<u>(117,580)</u>

Note of historical cost profits and losses

	Period from 25 Apr 11 to 29 Apr 12 £	<i>Period from 26 Apr 10 to 24 Apr 11 £</i>
Reported profit on ordinary activities before taxation	1,535,992	101,424
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	<u>63,450</u>	<u>63,450</u>
Historical cost profit on ordinary activities before taxation	<u>1,599,442</u>	<u>164,874</u>
Historical cost profit/(loss) for the period after taxation	<u>1,187,880</u>	<u>(54,130)</u>

The notes on pages 12 to 25 form part of these financial statements.

MONTPELIERS (EDINBURGH) LIMITED

Registered Number SC163913

BALANCE SHEET**29 APRIL 2012**

	Note	29 Apr 12 £	£	24 Apr 11 £	£
Fixed assets					
Tangible assets	10	23,087,874		20,676,594	
Investments	11	500,000		—	
		<u>23,587,874</u>		<u>20,676,594</u>	
Current assets					
Stocks	12	192,206		199,894	
Debtors	13	905,536		743,117	
Cash at bank		1,580,109		1,178,790	
		<u>2,677,851</u>		<u>2,121,801</u>	
Creditors: Amounts falling due within one year	14	<u>(4,734,497)</u>		<u>(4,044,433)</u>	
Net current liabilities			(2,056,646)		(1,922,632)
Total assets less current liabilities			<u>21,531,228</u>		<u>18,753,962</u>
Creditors: Amounts falling due after more than one year	15		(7,825,926)		(9,848,125)
Provisions for liabilities					
Deferred taxation	18		—		(129,058)
			<u>13,705,302</u>		<u>8,776,779</u>
Capital and reserves					
Called-up share capital	21	101,000		101,000	
Share premium account	22	12,176		12,176	
Revaluation reserve	23	9,494,461		5,449,407	
Profit and loss account	24	4,097,665		3,214,196	
Shareholders' funds	25		<u>13,705,302</u>		<u>8,776,779</u>

These financial statements were approved by the directors and authorised for issue on 22 January 2013, and are signed on their behalf by:



D A Wither
Director

The notes on pages 12 to 25 form part of these financial statements.

MONTPELIERS (EDINBURGH) LIMITED**CASH FLOW STATEMENT****PERIOD FROM 25 APRIL 2011 TO 29 APRIL 2012**

		Period from 25 Apr 11 to 29 Apr 12 £	<i>Period from 26 Apr 10 to 24 Apr 11 £</i>
Net cash inflow from operating activities	Note		
	26	3,305,585	2,496,428
Returns on investments and servicing of finance	26	(303,753)	(483,794)
Taxation	26	(415,717)	(485,848)
Capital expenditure and financial investment	26	(639,767)	(403,133)
Equity dividends paid		(205,385)	(782,817)
Cash inflow before financing		<u>1,740,963</u>	<u>340,836</u>
Financing	26	(1,339,644)	(513,338)
Increase/(decrease) in cash	26	<u>401,319</u>	<u>(172,502)</u>

MONTPELIERS (EDINBURGH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 25 APRIL 2011 TO 29 APRIL 2012

1. Accounting policies

Basis of accounting

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

Turnover

The turnover shown in the profit and loss account represents food, beverage and accommodation sales generated from the operating units during the period, exclusive of Value Added Tax.

Fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

The company's heritable and leasehold properties are professionally valued on a regular basis in accordance with FRS 15 (Tangible Fixed Assets). Any surplus arising on revaluation is transferred to revaluation reserve. Where revaluation is less than cost and is considered to be permanent in nature, the shortfall is charged to the profit and loss account. Where the fall in value is considered to be temporary, any adjustment is taken to the revaluation reserve.

Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Heritable properties	- nil
Leasehold properties	- over the remaining period of the lease
Equipment & utensils	- 20%
Fixtures & fittings	- 15%
Motor vehicles	- 25%

Heritable and leasehold properties are reviewed for impairment at the end of each year in accordance with the requirements of FRS11. An impairment review comprises a comparison of the carrying amount of the asset with its recoverable amount, being the higher of net realisable value and value in use. An asset is impaired to the extent that the carrying amount exceeds the recoverable amount.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Stocks

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

Stocks represent food and beverages for resale and is valued at cost on a first in first out (FIFO) basis. Cost comprises the purchase price of goods.

MONTPELIERS (EDINBURGH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 25 APRIL 2011 TO 29 APRIL 2012

1. Accounting policies *(continued)*

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

There is no deferred tax provision applicable at the balance sheet date.

No provision has been made for deferred taxation on revaluation surpluses arising on heritable and leasehold properties, as there is no intention to realise these surpluses in the foreseeable future (see note 18).

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Unlisted investments

Unlisted investments represent the company's investment in a limited liability partnership, shown at cost less any provision for impairment.

Contribution to pension funds

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are disclosed within either accruals or prepayments in the balance sheet.

MONTPELIERS (EDINBURGH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 25 APRIL 2011 TO 29 APRIL 2012

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	Period from 25 Apr 11 to 29 Apr 12 £	<i>Period from 26 Apr 10 to 24 Apr 11 £</i>
United Kingdom	15,631,525	15,250,651

3. Other operating income

	Period from 25 Apr 11 to 29 Apr 12 £	<i>Period from 26 Apr 10 to 24 Apr 11 £</i>
Brand marketing and training income	843,693	639,440
Rental and other income	18,038	27,845
	<u>861,731</u>	<u>667,285</u>

4. Operating profit

Operating profit is stated after charging:

	Period from 25 Apr 11 to 29 Apr 12 £	<i>Period from 26 Apr 10 to 24 Apr 11 £</i>
Depreciation of owned fixed assets	1,713,191	2,053,981
Depreciation of assets held under hire purchase agreements	5,292	5,292
Loss on disposal of fixed assets	19,482	82,735
Auditor's remuneration		
- as auditor	10,000	9,800
- for other services	6,930	6,630
Operating lease costs:		
-Equipment	152,798	185,287
-Land and buildings	<u>978,461</u>	<u>970,187</u>

MONTPELIERS (EDINBURGH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 25 APRIL 2011 TO 29 APRIL 2012

5. Particulars of employees

The average number of staff employed by the company during the financial period amounted to:

	Period from 25 Apr 11 to 29 Apr 12 No	<i>Period from 26 Apr 10 to 24 Apr 11 No</i>
Number of distribution staff	295	318
Number of administrative staff	27	28
	<u>322</u>	<u>346</u>

The aggregate payroll costs of the above were:

	Period from 25 Apr 11 to 29 Apr 12 £	<i>Period from 26 Apr 10 to 24 Apr 11 £</i>
Wages and salaries	4,519,210	4,305,172
Social security costs	401,373	411,243
Other pension costs	12,182	10,312
	<u>4,932,765</u>	<u>4,726,727</u>

6. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	Period from 25 Apr 11 to 29 Apr 12 £	<i>Period from 26 Apr 10 to 24 Apr 11 £</i>
Emoluments receivable	<u>394,273</u>	<u>376,608</u>

Emoluments of highest paid director:

	Period from 25 Apr 11 to 29 Apr 12 £	<i>Period from 26 Apr 10 to 24 Apr 11 £</i>
Total emoluments (excluding pension contributions)	<u>163,789</u>	<u>165,739</u>

The number of directors on whose behalf the company made pension contributions was as follows:

	Period from 25 Apr 11 to 29 Apr 12 No	<i>Period from 26 Apr 10 to 24 Apr 11 No</i>
Defined contribution schemes	<u>1</u>	<u>1</u>

MONTPELIERS (EDINBURGH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 25 APRIL 2011 TO 29 APRIL 2012

7. Interest payable and similar charges

	Period from 25 Apr 11 to 29 Apr 12 £	<i>Period from 26 Apr 10 to 24 Apr 11 £</i>
Interest payable on bank borrowing	236,316	364,313
Finance charges	—	3,865
Other similar charges payable	69,312	115,616
	<u>305,628</u>	<u>483,794</u>

8. Taxation on ordinary activities

(a) Analysis of charge in the period

	Period from 25 Apr 11 to 29 Apr 12 £	<i>Period from 26 Apr 10 to 24 Apr 11 £</i>
In respect of the period:		
UK Corporation tax	678,826	415,717
(Over)/under provision in prior year	(138,206)	64,117
	540,620	479,834
Deferred tax:		
Origination and reversal of timing differences	(129,058)	(260,830)
Tax on profit on ordinary activities	<u>411,562</u>	<u>219,004</u>

MONTPELIERS (EDINBURGH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 25 APRIL 2011 TO 29 APRIL 2012

8. Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 25.87% (2011 - 28%).

	Period from 25 Apr 11 to 29 Apr 12 £	<i>Period from 26 Apr 10 to 24 Apr 11 £</i>
Profit on ordinary activities before taxation	<u>1,535,992</u>	<u>101,424</u>
Tax charge on profit based on standard rate of 25.87% (2011 - 28%)	397,361	28,399
Effects of:		
Expenses not deductible for tax purposes	431	3,862
Depreciation for period in excess of capital allowances	281,469	383,456
Income not taxable	(467)	-
Adjustments to tax charge in respect of previous periods	(138,206)	64,117
Other timing differences	32	-
Total current tax (note 8(a))	<u>540,620</u>	<u>479,834</u>

9. Dividends

Equity dividends

	Period from 25 Apr 11 to 29 Apr 12 £	<i>Period from 26 Apr 10 to 24 Apr 11 £</i>
Paid during the period:		
Equity dividends on ordinary shares	<u>205,385</u>	<u>782,817</u>

MONTPELIERS (EDINBURGH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 25 APRIL 2011 TO 29 APRIL 2012

10. Tangible fixed assets

	Heritable and leasehold properties £	Equipment & utensils £	Fixtures & fittings £	Motor vehicles £	Total £
Cost or valuation					
At 25 April 2011	22,039,064	4,507,418	5,349,411	88,350	31,984,243
Additions	–	106,571	71,196	–	177,767
Disposals	–	–	–	(63,500)	(63,500)
Revaluation	(124,459)	–	–	–	(124,459)
At 29 April 2012	<u>21,914,605</u>	<u>4,613,989</u>	<u>5,420,607</u>	<u>24,850</u>	<u>31,974,051</u>
Depreciation					
At 25 April 2011	3,401,628	4,206,655	3,676,083	23,283	11,307,649
Charge for the period	732,309	384,382	594,207	7,585	1,718,483
On disposals	–	–	–	(6,018)	(6,018)
Revaluation adjustment	(4,133,937)	–	–	–	(4,133,937)
At 29 April 2012	<u>–</u>	<u>4,591,037</u>	<u>4,270,290</u>	<u>24,850</u>	<u>8,886,177</u>
Net book value					
At 29 April 2012	<u>21,914,605</u>	<u>22,952</u>	<u>1,150,317</u>	<u>–</u>	<u>23,087,874</u>
At 24 April 2011	<u>18,637,436</u>	<u>300,763</u>	<u>1,673,328</u>	<u>65,067</u>	<u>20,676,594</u>

The company's heritable and leasehold properties held at that time were revalued in November 2012 by DM Hall, Chartered Surveyors, Edinburgh at a value of £23,065,000. The properties were revalued at estimated realisation price having regard to the trading potential of the business. The surplus arising was transferred to revaluation reserve. The valuations were reviewed by the directors as at the year end and no adjustment to valuation was deemed necessary.

The historical cost carrying value of heritable and leasehold property would be £7,321,144 (2011: £8,089,029).

Hire purchase agreements

Included within the net book value of £23,087,874 is £Nil (2011 - £58,208) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £5,292 (2011 - £5,292).

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11. Investments

	Unlisted investments £
Cost	
Additions	500,000
At 29 April 2012	<u>500,000</u>
Net book value	
At 29 April 2012	<u>500,000</u>
At 24 April 2011	<u>-</u>

The investment relates to the company's capital account in E.W. Initiatives LLP. R S Elliot, D A Wither, W L Elliot and R F Wither, the company's directors and shareholders are also members of this LLP.

12. Stocks

	29 Apr 12 £	24 Apr 11 £
Stock - food and beverages	<u>192,206</u>	<u>199,894</u>

13. Debtors

	29 Apr 12 £	24 Apr 11 £
Trade debtors	344,898	325,345
Amounts owed by related undertakings (note 20)	188,000	-
Other debtors	13,706	85,169
Director's loan (note 20)	50,000	60,505
Prepayments and accrued income	308,932	272,098
	<u>905,536</u>	<u>743,117</u>

14. Creditors: Amounts falling due within one year

	29 Apr 12 £	24 Apr 11 £
Other funding (note 15)	500,000	-
Bank loans (note 15)	1,501,690	1,311,010
Trade creditors	720,511	845,640
Corporation tax	539,084	414,181
PAYE and social security	101,805	102,746
VAT	467,552	459,591
Hire purchase agreements	-	8,125
Other creditors	204,715	185,396
Accruals and deferred income	699,140	717,744
	<u>4,734,497</u>	<u>4,044,433</u>

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15. Creditors: Amounts falling due after more than one year

	29 Apr 12 £	24 Apr 11 £
Bank loans	7,825,926	9,327,615
Other funding	—	500,000
Hire purchase agreements	—	20,510
	<u>7,825,926</u>	<u>9,848,125</u>

There are two bank loans with the Bank of Scotland, one is repayable over 10 years by quarterly instalments and interest is charged at 1.25% above LIBOR and the other is repayable in quarterly instalments over 3 years and bears interest at 3% above LIBOR and mandatory costs. The Bank of Scotland loans are guaranteed by Greene King Brewing and Retailing Limited trading as the Belhaven Group to the extent of £1,500,000.

The other funding is from Greene King Brewing and Retailing Limited trading as the Belhaven Group ("Belhaven"). The loan bears interest at the higher of 3% above bank base rate or 13% per annum and is due for repayment in March 2013.

The company has granted standard securities in favour of the Bank of Scotland and Belhaven, over the company's heritable properties. The Bank of Scotland security ranks ahead of Belhaven. The company has also granted a bond and floating charge in favour of the Bank of Scotland and Belhaven. These floating charges rank pari passu.

16. Borrowings

Creditors include bank borrowings which is due for repayment as follows:

	29 Apr 12 £	24 Apr 11 £
Amounts repayable:		
In one year or less or on demand	2,001,690	1,311,010
In more than one year but not more than two years	3,382,370	2,001,690
In more than two years but not more than five years	4,443,556	7,825,926
	<u>9,827,616</u>	<u>11,138,626</u>

17. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	29 Apr 12 £	24 Apr 11 £
Amounts payable within 1 year	—	8,125
Amounts payable between 1 and 2 years	—	8,125
Amounts payable between 3 and 5 years	—	12,385
	<u>—</u>	<u>28,635</u>

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18. Deferred taxation

The movement in the deferred taxation provision during the period was:

	Period from 25 Apr 11 to 29 Apr 12 £	<i>Period from 26 Apr 10 to 24 Apr 11 £</i>
At 25 April 2011	129,058	389,888
Profit and loss account movement arising during the period	(129,058)	(260,830)
At 29 April 2012	<u>-</u>	<u>129,058</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	29 Apr 12 £	<i>24 Apr 11 £</i>
Excess of taxation allowances over depreciation on fixed assets	-	129,058
	<u>-</u>	<u>129,058</u>

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if property was sold without it being possible to claim rollover relief. The total amount unprovided for has been estimated at £2,712,000 (2011: £2,938,000). At present, the directors have no intention to dispose of any property and therefore it is not envisaged that any tax will become payable in the foreseeable future.

19. Commitments under operating leases

At 29 April 2012 the company had annual commitments under non-cancellable operating leases as set out below.

	29 Apr 12		24 Apr 11
	Land and buildings £	Other Items £	Land and buildings £
Operating leases which expire:			Other Items £
After more than 5 years	<u>902,000</u>	<u>-</u>	<u>922,000</u>
			<u>185,000</u>

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20. Related party transactions

R F Wither is a director and shareholder of Flow Hospitality Training Limited. During the period Montpeliers (Edinburgh) Limited recharged wages costs incurred by the company to Flow Hospitality Training Limited and purchased goods from Flow Hospitality Training Limited for £2,015. In addition during the period the company advanced funds of £150,000 to Flow Hospitality Training Limited. The balance due from Flow Hospitality Training Limited at the period end was £150,000 (24 April 2011: £82,068). This balance is unsecured and interest free and has no fixed repayment agreement.

During the period the company paid E.W. Initiatives LLP £60,000 in respect of consultancy fees. The company and R S Elliott, D A Wither, W L Elliott and R F Wither, the company's directors and shareholders, are members of E.W. Initiatives LLP. In addition during the year the company sold a motor vehicle to the LLP at the vehicle's market value.

As at the balance sheet date £38,000 was outstanding from E.W. Initiatives LLP. The balance is unsecured and interest free and has no fixed repayment agreement.

Montpeliers (Edinburgh) Limited received funds from D A Wither during the period in partial repayment of his director's loan. At the period end, the amounts due to the company by D A Wither was £50,000 (24 April 2011: £60,505). The maximum overdue balance of his director's loan during the year was £60,505.

21. Share capital

Allotted, called up and fully paid:

	29 Apr 12		24 Apr 11	
	No	£	No	£
101,000 Ordinary shares of £1 each	<u>101,000</u>	<u>101,000</u>	<u>101,000</u>	<u>101,000</u>

In the prior year an amount of £5,000,000 of the company's revaluation reserve was utilised to effect a bonus issue of shares, increasing the company's Ordinary share capital to 5,101,000 Ordinary shares of £1. The newly enlarged share capital was then reduced by £5,000,000 resulting in a release of £5,000,000 to distributable reserves.

22. Share premium account

There was no movement on the share premium account during the financial period.

23. Revaluation reserve

	Period from 25 Apr 11 to 29 Apr 12 £	Period from 26 Apr 10 to 24 Apr 11 £
Balance brought forward	5,449,407	10,512,857
Revaluation of fixed assets	4,009,478	—
Transfer from/(to) the profit and loss account	35,576	(63,450)
Capitalisation of reserves (note 21)	—	(5,000,000)
Balance carried forward	<u>9,494,461</u>	<u>5,449,407</u>

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24. Profit and loss account

	Period from 25 Apr 11 to 29 Apr 12 £	Period from 26 Apr 10 to 24 Apr 11 £
Balance brought forward	3,214,196	(948,857)
Profit/(loss) for the financial period	1,124,430	(117,580)
Equity dividends	(205,385)	(782,817)
Transfer (to)/from revaluation reserve	(35,576)	63,450
Cancellation of own shares (note 21)	—	5,000,000
Balance carried forward	<u>4,097,665</u>	<u>3,214,196</u>

25. Reconciliation of movements in shareholders' funds

	29 Apr 12 £	£	24 Apr 11 £	£
Profit/(loss) for the financial period		1,124,430		(117,580)
Other net recognised gains and losses		4,009,478		—
Bonus share issue	—		5,000,000	
Less capitalised from reserves	—		(5,000,000)	
		—		—
Purchase of own ordinary shares	—		(5,000,000)	
Cancellation of own shares	—		5,000,000	
Equity dividends	(205,385)		(782,817)	
		(205,385)		(782,817)
Transfer from revaluation reserve		(35,576)		63,450
Transfer to profit and loss account		35,576		(63,450)
Net addition/(reduction) to shareholders' funds		<u>4,928,523</u>		<u>(900,397)</u>
Opening shareholders' funds		8,776,779		9,677,176
Closing shareholders' funds		<u>13,705,302</u>		<u>8,776,779</u>

26. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	Period from 25 Apr 11 to 29 Apr 12 £	Period from 26 Apr 10 to 24 Apr 11 £
Operating profit	1,839,745	585,218
Depreciation	1,718,483	2,059,273
Loss on disposal of fixed assets	19,482	82,735
Decrease/(increase) in stocks	7,688	(8,847)
Increase in debtors	(162,419)	(113,029)
Decrease in creditors	(117,394)	(108,922)
Net cash inflow from operating activities	<u>3,305,585</u>	<u>2,496,428</u>

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26. Notes to the cash flow statement (continued)

Returns on investments and servicing of finance

	Period from 25 Apr 11 to 29 Apr 12 £	<i>Period from 26 Apr 10 to 24 Apr 11 £</i>
Interest received	1,875	—
Interest paid	(305,628)	(479,929)
Interest element of hire purchase	—	(3,865)
Net cash outflow from returns on investments and servicing of finance	<u>(303,753)</u>	<u>(483,794)</u>

Taxation

	Period from 25 Apr 11 to 29 Apr 12 £	<i>Period from 26 Apr 10 to 24 Apr 11 £</i>
Taxation	<u>(415,717)</u>	<u>(485,848)</u>

Capital expenditure and financial investment

	Period from 25 Apr 11 to 29 Apr 12 £	<i>Period from 26 Apr 10 to 24 Apr 11 £</i>
Payments to acquire tangible fixed assets	(177,767)	(403,135)
Receipts from sale of fixed assets	38,000	2
Acquisition of fixed asset investments	(500,000)	—
Net cash outflow for capital expenditure and financial investment	<u>(639,767)</u>	<u>(403,133)</u>

Financing

	Period from 25 Apr 11 to 29 Apr 12 £	<i>Period from 26 Apr 10 to 24 Apr 11 £</i>
New bank loans	—	2,600,000
Repayment of bank loans	(1,311,009)	(1,041,973)
Repayment of other loan	—	(2,100,000)
Capital element of hire purchase	(28,635)	28,635
Net cash outflow from financing	<u>(1,339,644)</u>	<u>(513,338)</u>

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26. Notes to the cash flow statement (continued)

Reconciliation of net cash flow to movement in net debt

	29 Apr 12	£	24 Apr 11	£
Increase/(decrease) in cash in the period	401,319		(172,502)	
Net cash outflow/(inflow) from bank loans	1,311,009		(1,558,027)	
Net cash outflow from other loan	—		2,100,000	
Cash outflow in respect of hire purchase	28,635		(28,635)	
Change in net debt resulting from cash flows		1,740,963		340,836
New finance leases		—		(63,500)
Movement in net debt in the period		1,740,963		277,336
Net debt at 25 April 2011		(9,988,470)		(10,265,806)
Net debt at 29 April 2012		(8,247,507)		(9,988,470)

Analysis of changes in net debt

	At 25 April 2011 £	Cash flows £	Other changes £	At 29 April 2012 £
Net cash:				
Cash in hand and at bank	1,178,790	401,319	—	1,580,109
Debt:				
Debt due within 1 year	(1,311,010)	1,311,010	(2,001,690)	(2,001,690)
Debt due after 1 year	(9,827,615)	(1)	2,001,690	(7,825,926)
Hire purchase agreements	(28,635)	28,635	—	—
	(11,167,260)	1,339,644	—	(9,827,616)
Net debt	(9,988,470)	1,740,963	—	(8,247,507)

Non-cash transactions

During the year, the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the lease of £Nil (2011 - £63,500).

27. Ultimate controlling party

In the opinion of the directors, there is no ultimate controlling party.