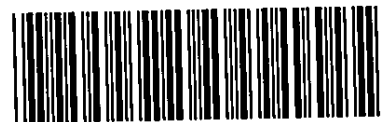


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- 1 May 2013

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

Company Registration Number SC163913

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MONTPELIERS (EDINBURGH) LIMITED
FINANCIAL STATEMENTS
PERIOD FROM 30 APRIL 2012 TO 29 JULY 2012

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MONTPELIERS (EDINBURGH) LIMITED

KEY INFORMATION

PERIOD ENDED 29 JULY 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 30 APRIL 2012 TO 29 JULY 2012

The directors present their report and the financial statements of the company for the period from 30 April 2012 to 29 July 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 and key performance indicators

The trading performance of the company in the thirteen week period was in line with the Board's expectation and was broadly similar to the comparative trading performance in the corresponding period of 2011.

The early part of summer is traditionally the quietest quarter of the company's trading year. Management took the opportunity to undertake a programme of extensive repairs and refurbishment to some of the trading units, in order to sustain the quality of our facilities.

In addition to the resilient trading results, the company continued to benefit from low rates of interest on its bank borrowings. Net debt at the end of the thirteen week period was down by £0.5m from £8.2m to £7.7m.

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 30 APRIL 2012 TO 29 JULY 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 £50,995. The directors have not recommended a dividend.

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 company to meet its day to day obligations as they fall due whilst maximising returns on surplus funds;
- minimise the company'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 company'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
D A S Johnston

MONTPELIERS (EDINBURGH) LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 30 APRIL 2012 TO 29 JULY 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

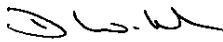
THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 30 APRIL 2012 TO 29 JULY 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 15 April 2013

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

PERIOD FROM 30 APRIL 2012 TO 29 JULY 2012

We have audited the financial statements of Montpeliers (Edinburgh) Limited for the period from 30 April 2012 to 29 July 2012 on pages 8 to 24. 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 July 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 30 APRIL 2012 TO 29 JULY 2012

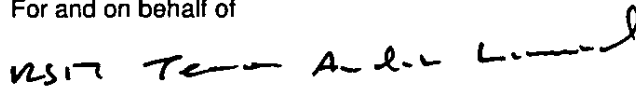
Matters on which we are required to report by exception

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

Date:- 29/4/13

MONTPELIERS (EDINBURGH) LIMITED

PROFIT AND LOSS ACCOUNT

PERIOD FROM 30 APRIL 2012 TO 29 JULY 2012

	Note	Period from 30 Apr 12 to 29 Jul 12 £	Period from 25 Apr 11 to 29 Apr 12 £
Turnover	2	3,660,632	15,631,525
Cost of sales		(1,707,020)	(7,016,852)
Gross profit		<u>1,953,612</u>	<u>8,614,673</u>
Administrative expenses		(1,896,047)	(7,636,659)
Other operating income	3	143,388	861,731
Operating profit	4	<u>200,953</u>	<u>1,839,745</u>
Interest receivable		945	1,875
Interest payable and similar charges	7	(75,903)	(305,628)
Profit on ordinary activities before taxation		<u>125,995</u>	<u>1,535,992</u>
Tax on profit on ordinary activities	8	(75,000)	(411,562)
Profit for the financial period		<u><u>50,995</u></u>	<u><u>1,124,430</u></u>

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

The notes on pages 12 to 24 form part of these financial statements.

MONTPELIERS (EDINBURGH) LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
PERIOD FROM 30 APRIL 2012 TO 29 JULY 2012

	Period from 30 Apr 12 to 29 Jul 12 £	<i>Period from 25 Apr 11 to 29 Apr 12 £</i>
Profit for the financial period attributable to the shareholders	50,995	1,124,430
Unrealised profit on revalued estate	—	4,009,478
Total gains and losses recognised since the last annual report	<u>50,995</u>	<u>5,133,908</u>

Note of historical cost profits and losses

	Period from 30 Apr 12 to 29 Jul 12 £	<i>Period from 25 Apr 11 to 29 Apr 12 £</i>
Reported profit on ordinary activities before taxation	125,995	1,535,992
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	118,680	63,450
Historical cost profit on ordinary activities before taxation	<u>244,675</u>	<u>1,599,442</u>
Historical cost profit for the period after taxation	<u>169,675</u>	<u>1,187,880</u>

The notes on pages 12 to 24 form part of these financial statements.

MONTPELIERS (EDINBURGH) LIMITED

Registered Number SC163913

BALANCE SHEET**29 JULY 2012**

	Note	29 Jul 12 £	£	29 Apr 12 £	£
Fixed assets					
Tangible assets	10		23,081,195		23,087,874
Investments	11		725,000		500,000
			<u>23,806,195</u>		<u>23,587,874</u>
Current assets					
Stocks	12	211,409		192,206	
Debtors	13	1,075,404		905,536	
Cash at bank		1,808,477		1,580,109	
			<u>3,095,290</u>		<u>2,677,851</u>
Creditors: Amounts falling due within one year	14	(5,742,354)		(4,734,497)	
Net current liabilities			(2,647,064)		(2,056,646)
Total assets less current liabilities			<u>21,159,131</u>		<u>21,531,228</u>
Creditors: Amounts falling due after more than one year	15		(7,402,834)		(7,825,926)
			<u>13,756,297</u>		<u>13,705,302</u>
Capital and reserves					
Called-up share capital	20		101,000		101,000
Share premium account	21		12,176		12,176
Revaluation reserve	22		9,375,781		9,494,461
Profit and loss account	23		4,267,340		4,097,665
Shareholders' funds	24		<u>13,756,297</u>		<u>13,705,302</u>

These financial statements were approved by the directors and authorised for issue on 15 April 2013, and are signed on their behalf by:



D A Wither
Director

The notes on pages 12 to 24 form part of these financial statements.

MONTPELIERS (EDINBURGH) LIMITED

CASH FLOW STATEMENT

PERIOD FROM 30 APRIL 2012 TO 29 JULY 2012

		Period from 30 Apr 12 to 29 Jul 12 £	<i>Period from 25 Apr 11 to 29 Apr 12 £</i>
Net cash inflow from operating activities	Note		
	25	1,229,254	3,305,585
Returns on investments and servicing of finance	25	(74,958)	(303,753)
Taxation	25	—	(415,717)
Capital expenditure and financial investment	25	(598,176)	(639,767)
Equity dividends paid		—	(205,385)
Cash inflow before financing		<u>556,120</u>	<u>1,740,963</u>
Financing	25	(327,752)	(1,339,644)
Increase in cash	25	<u>228,368</u>	<u>401,319</u>

MONTPELIERS (EDINBURGH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 30 APRIL 2012 TO 29 JULY 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 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 FRS 11 (Impairment of Fixed Assets and Goodwill). 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 30 APRIL 2012 TO 29 JULY 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 17).

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 30 APRIL 2012 TO 29 JULY 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 30 Apr 12 to 29 Jul 12 £	<i>Period from 25 Apr 11 to 29 Apr 12 £</i>
United Kingdom	<u>3,660,632</u>	<u>15,631,525</u>

3. Other operating Income

	Period from 30 Apr 12 to 29 Jul 12 £	<i>Period from 25 Apr 11 to 29 Apr 12 £</i>
Brand marketing and training income	139,516	843,693
Rental and other income	<u>3,872</u>	<u>18,038</u>
	<u>143,388</u>	<u>861,731</u>

4. Operating profit

Operating profit is stated after charging:

	Period from 30 Apr 12 to 29 Jul 12 £	<i>Period from 25 Apr 11 to 29 Apr 12 £</i>
Depreciation of owned fixed assets	379,855	1,713,191
Depreciation of assets held under hire purchase agreements	—	5,292
Loss on disposal of fixed assets	—	19,482
Auditor's remuneration		
- as auditor	8,000	10,000
- for other services	4,500	6,930
Operating lease costs:		
-Equipment	40,036	152,798
-Land and buildings	<u>239,009</u>	<u>978,461</u>

MONTPELIERS (EDINBURGH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 30 APRIL 2012 TO 29 JULY 2012

5. Particulars of employees

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

	Period from 30 Apr 12 to 29 Jul 12	<i>Period from 25 Apr 11 to 29 Apr 12</i>
	No	<i>No</i>
Number of distribution staff	306	295
Number of administrative staff	23	27
	<u>329</u>	<u>322</u>

The aggregate payroll costs of the above were:

	Period from 30 Apr 12 to 29 Jul 12	<i>Period from 25 Apr 11 to 29 Apr 12</i>
	£	<i>£</i>
Wages and salaries	1,026,777	4,519,210
Social security costs	89,961	401,373
Other pension costs	2,626	12,182
	<u>1,119,364</u>	<u>4,932,765</u>

6. Directors' emoluments

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

	Period from 30 Apr 12 to 29 Jul 12	<i>Period from 25 Apr 11 to 29 Apr 12</i>
	£	<i>£</i>
Emoluments receivable	<u>85,975</u>	<u>394,273</u>

Emoluments of highest paid director:

	Period from 30 Apr 12 to 29 Jul 12	<i>Period from 25 Apr 11 to 29 Apr 12</i>
	£	<i>£</i>
Total emoluments (excluding pension contributions)	<u>27,619</u>	<u>163,789</u>

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

	Period from 30 Apr 12 to 29 Jul 12	<i>Period from 25 Apr 11 to 29 Apr 12</i>
	No	<i>No</i>
Defined contribution schemes	<u>1</u>	<u>1</u>

MONTPELIERS (EDINBURGH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 30 APRIL 2012 TO 29 JULY 2012

7. Interest payable and similar charges

	Period from 30 Apr 12 to 29 Jul 12 £	<i>Period from 25 Apr 11 to 29 Apr 12 £</i>
Interest payable on bank borrowing	64,528	236,316
Other similar charges payable	11,375	69,312
	<u>75,903</u>	<u>305,628</u>

8. Taxation on ordinary activities

(a) Analysis of charge in the period

	Period from 30 Apr 12 to 29 Jul 12 £	<i>Period from 25 Apr 11 to 29 Apr 12 £</i>
In respect of the period:		
UK Corporation tax	75,000	678,826
Over provision in prior period	-	(138,206)
	<u>75,000</u>	<u>540,620</u>
Deferred tax:		
Origination and reversal of timing differences	-	(129,058)
Tax on profit on ordinary activities	<u>75,000</u>	<u>411,562</u>

MONTPELIERS (EDINBURGH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 30 APRIL 2012 TO 29 JULY 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 24% (29 Apr 12: 25.87%).

	Period from 30 Apr 12 to 29 Jul 12 £	Period from 25 Apr 11 to 29 Apr 12 £
Profit on ordinary activities before taxation	<u>125,995</u>	<u>1,535,992</u>
Profit on ordinary activities by rate of tax	30,239	397,361
Effects of:		
Expenses not deductible for tax purposes	180	431
Depreciation for period in excess of capital allowances	31,370	281,469
Income not taxable	-	(467)
Adjustments to tax charge in respect of previous periods	-	(138,206)
Other timing differences	14,646	32
Marginal relief	<u>(1,435)</u>	<u>-</u>
Total current tax (note 8(a))	<u>75,000</u>	<u>540,620</u>

9. Dividends

Equity dividends

	Period from 30 Apr 12 to 29 Jul 12 £	Period from 25 Apr 11 to 29 Apr 12 £
Paid during the period:		
Equity dividends on ordinary shares	<u>-</u>	<u>205,385</u>

MONTPELIERS (EDINBURGH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 30 APRIL 2012 TO 29 JULY 2012

10. Tangible fixed assets

	Heritable and leasehold properties £	Equipment & utensils £	Fixtures & fittings £	Motor vehicles £	Total £
Cost or valuation					
At 30 April 2012	21,914,605	4,613,989	5,420,607	24,850	31,974,051
Additions	—	370,676	2,500	—	373,176
At 29 July 2012	<u>21,914,605</u>	<u>4,984,665</u>	<u>5,423,107</u>	<u>24,850</u>	<u>32,347,227</u>
Depreciation					
At 30 April 2012	—	4,591,037	4,270,290	24,850	8,886,177
Charge for the period	179,539	51,518	148,798	—	379,855
At 29 July 2012	<u>179,539</u>	<u>4,642,555</u>	<u>4,419,088</u>	<u>24,850</u>	<u>9,266,032</u>
Net book value					
At 29 July 2012	<u>21,735,066</u>	<u>342,110</u>	<u>1,004,019</u>	<u>—</u>	<u>23,081,195</u>
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>

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 sustainable trading potential of the business. The surplus arising was transferred to the revaluation reserve in the financial statements for the year ended 30 April 2012. The valuations were reviewed by the directors as at the period end and no adjustment to valuation was deemed necessary.

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

11. Investments

	Unlisted investments £
Cost	
At 30 April 2012	500,000
Additions	225,000
At 29 July 2012	<u>725,000</u>
Net book value	
At 29 July 2012	<u>725,000</u>
At 29 April 2012	<u>500,000</u>

The investment relates to the company's capital account in E.W. Initiatives LLP. R S Elliott, D A Wither, W L Elliott and R F Wither, the company's directors and shareholders are also members of this LLP. E.W. Initiatives LLP is a partnership formed in 2011 to offer consultancy services and strategic planning advice to the company and third parties.

MONTPELIERS (EDINBURGH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 30 APRIL 2012 TO 29 JULY 2012

12. Stocks

	29 Jul 12 £	29 Apr 12 £
Stock - food and beverages	211,409	192,206

13. Debtors

	29 Jul 12 £	29 Apr 12 £
Trade debtors	587,957	344,898
Amounts owed by related undertakings (note 19)	188,000	188,000
Other debtors	47,588	13,706
Director's loan (note 19)	50,000	50,000
Prepayments and accrued income	201,859	308,932
	<u>1,075,404</u>	<u>905,536</u>

14. Creditors: Amounts falling due within one year

	29 Jul 12 £	29 Apr 12 £
Other funding	500,000	500,000
Bank loans (note 15)	1,597,030	1,501,690
Trade creditors	866,281	720,511
Corporation tax	614,084	539,084
PAYE and social security	106,719	101,805
VAT	475,662	467,552
Other creditors	204,280	204,715
Accruals and deferred income	1,378,298	699,140
	<u>5,742,354</u>	<u>4,734,497</u>

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 was repaid in January 2013.

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

	29 Jul 12 £	29 Apr 12 £
Bank loans	7,402,834	7,825,926

There are two bank loans with the Bank of Scotland, one is repayable over 10 years by quarterly instalments and interest is charged at 1.125% above LIBOR and mandatory costs 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 Belhaven to the extent of £1,500,000.

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. The Bank of Scotland security again ranks ahead of Belhaven. The company refinanced its borrowings with Bank of Scotland at the end of January 2013.

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16. Borrowings

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

	29 Jul 12	<i>29 Apr 12</i>
	£	£
Amounts repayable:		
In one year or less or on demand	2,097,030	2,001,690
In more than one year but not more than two years	3,317,370	3,382,370
In more than two years but not more than five years	4,085,464	4,443,556
	<u>9,499,864</u>	<u>9,827,616</u>

17. Deferred taxation

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

	Period from	<i>Period from</i>
	30 Apr 12 to	<i>25 Apr 11 to</i>
	29 Jul 12	<i>29 Apr 12</i>
	£	£
At 30 April 2012	-	129,058
Profit and loss account movement arising during the period	-	(129,058)
At 29 July 2012	<u>-</u>	<u>-</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.

18. Commitments under operating leases

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

	Land and	<i>Land and</i>
	buildings	<i>buildings</i>
	29 Jul 12	<i>29 Apr 12</i>
	£	£
Operating leases which expire:		
After more than 5 years	<u>902,000</u>	<u>902,000</u>

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19. 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 £24,914 (29 April 2012: £2,015). In addition, during the period the company advanced funds of £nil (29 April 2012: £150,000) to Flow Hospitality Training Limited. The balance due from Flow Hospitality Training Limited at the period end was £150,000 (29 April 2012: £150,000). This balance, which was unsecured and interest free, was repaid on 22 November 2012.

During the period the company paid E.W. Initiatives LLP £36,000 (29 April 2012: £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.

As at the balance sheet date £38,000 (29 April 2012: £38,000) was outstanding from E.W. Initiatives LLP. The balance is unsecured and interest free.

At the balance sheet date, the amount due to the company by D A Wither, a director of the company, was £50,000 (29 April 2012: £50,000). The maximum overdue balance of his director's loan during the year was £50,000 (29 April 2012: £60,505).

20. Share capital

Allotted, called up and fully paid:

	29 Jul 12		29 Apr 12	
	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>

21. Share premium account

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

22. Revaluation reserve

	Period from 30 Apr 12 to 29 Jul 12 £	Period from 25 Apr 11 to 29 Apr 12 £
Balance brought forward	9,494,461	5,449,407
Revaluation of fixed assets	—	4,009,478
Transfer (to)/from the profit and loss account	(118,680)	35,576
Balance carried forward	<u>9,375,781</u>	<u>9,494,461</u>

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23. Profit and loss account

	Period from 30 Apr 12 to 29 Jul 12 £	Period from 25 Apr 11 to 29 Apr 12 £
Balance brought forward	4,097,665	3,214,196
Profit for the financial period	50,995	1,124,430
Equity dividends	—	(205,385)
Transfer from/(to) revaluation reserve	118,680	(35,576)
Balance carried forward	<u>4,267,340</u>	<u>4,097,665</u>

24. Reconciliation of movements in shareholders' funds

	29 Jul 12 £	29 Apr 12 £
Profit for the financial period	50,995	1,124,430
Other net recognised gains and losses	—	4,009,478
Equity dividends	—	(205,385)
Transfer from revaluation reserve	118,680	(35,576)
Transfer to profit and loss account	(118,680)	35,576
Net addition to shareholders' funds	50,995	4,928,523
Opening shareholders' funds	13,705,302	8,776,779
Closing shareholders' funds	<u>13,756,297</u>	<u>13,705,302</u>

25. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	Period from 30 Apr 12 to 29 Jul 12 £	Period from 25 Apr 11 to 29 Apr 12 £
Operating profit	200,953	1,839,745
Depreciation	379,855	1,718,483
Loss on disposal of fixed assets	—	19,482
(Increase)/decrease in stocks	(19,203)	7,688
Increase in debtors	(169,868)	(162,419)
Increase/(decrease) in creditors	837,517	(117,394)
Net cash inflow from operating activities	<u>1,229,254</u>	<u>3,305,585</u>

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25. Notes to the cash flow statement (continued)

Returns on investments and servicing of finance

	Period from 30 Apr 12 to 29 Jul 12 £	Period from 25 Apr 11 to 29 Apr 12 £
Interest received	945	1,875
Interest paid	(75,903)	(305,628)
Net cash outflow from returns on investments and servicing of finance	<u>(74,958)</u>	<u>(303,753)</u>

Taxation

	Period from 30 Apr 12 to 29 Jul 12 £	Period from 25 Apr 11 to 29 Apr 12 £
Taxation	—	<u>(415,717)</u>

Capital expenditure and financial investment

	Period from 30 Apr 12 to 29 Jul 12 £	Period from 25 Apr 11 to 29 Apr 12 £
Payments to acquire tangible fixed assets	(373,176)	(177,767)
Receipts from sale of fixed assets	—	38,000
Acquisition of fixed asset investments	<u>(225,000)</u>	<u>(500,000)</u>
Net cash outflow for capital expenditure and financial investment	<u>(598,176)</u>	<u>(639,767)</u>

Financing

	Period from 30 Apr 12 to 29 Jul 12 £	Period from 25 Apr 11 to 29 Apr 12 £
Repayment of bank loans	(327,752)	(1,311,009)
Capital element of hire purchase	—	(28,635)
Net cash outflow from financing	<u>(327,752)</u>	<u>(1,339,644)</u>

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25. Notes to the cash flow statement (continued)

Reconciliation of net cash flow to movement in net debt

	29 Jul 12		29 Apr 12	
	£	£	£	£
Increase in cash in the period	228,368		401,319	
Net cash outflow from bank loans	327,752		1,311,009	
Cash outflow in respect of hire purchase	—		28,635	
Change in net debt		556,120		1,740,963
Net debt at 30 April 2012		(8,247,507)		(9,988,470)
Net debt at 29 July 2012		(7,691,387)		(8,247,507)

Analysis of changes in net debt

	At 30 April 2012 £	Cash flows £	Other changes £	At 29 July 2012 £
Net cash:				
Cash in hand and at bank	1,580,109	228,368	—	1,808,477
Debt:				
Debt due within 1 year	(2,001,690)	327,752	(423,092)	(2,097,030)
Debt due after 1 year	(7,825,926)	—	423,092	(7,402,834)
	(9,827,616)	327,752	—	(9,499,864)
Net debt	(8,247,507)	556,120	—	(7,691,387)

26. Ultimate controlling party

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