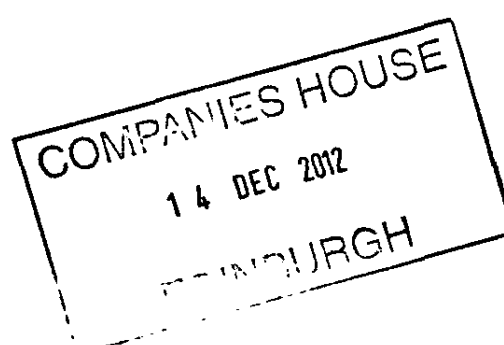


Registered Number: SC333345

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**



IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

COMPANY INFORMATION

Directors	B W C McGhee S P King L Welsh S McQuade
Secretary	F M Dromgoole
Company Number	SC333345
Registered Office	Virginia House 62 Virginia Street Glasgow G1 1TX
Auditors	PKF (UK) LLP 78 Carlton Place Glasgow G5 9TH
Bankers	Clydesdale Bank plc 30 St Vincent Place Glasgow G1 2HL
Solicitors	Morton Fraser LLP Quartermile Two 2 Lister Square Edinburgh EH3 9GL DLA Piper Scotland LLP 249 West George Street Glasgow G2 4RB

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

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IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

The directors present their report and the financial statements for the year ended 31 March 2012.

Principal activity, review of the business, principal risks and uncertainties and future developments

The principal activity of the company is the rental of properties.

Sales were £205,162 (2011: £185,787) and the operating profit was £139,032 (2011: £18,753).

At the end of the year, net assets were £121,931 (2011: £30,342).

The unlicensed estate is mainly made up of residential properties together with a small number of retail properties. The residential market has been steady over the last few years and we expect this to continue due to the majority of younger people still renting rather than purchasing.

The directors expect the company to generate positive cash flows on its own account for the foreseeable future. The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the group to continue as a going concern or its ability to continue with the current banking arrangements.

The business review and future developments contains certain forward looking statements that have been made by the directors in good faith based on the information available at the time of approval of the annual report. By their nature, such forward looking statements involve risks and uncertainties because they relate to future events and depend on circumstances that will or may occur in the future.

Results and dividend

The profit for the year, after taxation, amounted to £91,589 (2010: £33,501). The directors have not recommended a dividend (2011: £nil).

Directors

The directors who served during the year were:

S P King
B W C McGhee
L Welsh
J Young

J Young resigned on 31 July 2012 and S McQuade was appointed on the same date.

Financial instruments

The company does not actively use financial instruments as part of its financial risk management.

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012 (CONT'D)

Provision of information to auditors

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

This report was approved by the board on 4 OCTOBER 2012 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'B W C McGhee', written over the printed name.

B W C McGhee
Director

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2012

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 these financial statements, the directors are required to:

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

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

We have audited the financial statements of Iona Pub Partnership (Unlicensed) Limited for the year ended 31 March 2012 which comprise the profit and loss account, the balance sheet and related notes. 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, 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 the directors; and the overall presentation of the financial statements.

In addition, we read all of 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 31 March 2012 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IONA PUB PARTNERSHIP
(UNLICENSED) 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

PKF(UK) LLP

Charles Barnett (Senior statutory auditor)

For and on behalf of PKF (UK) LLP

Statutory auditor

Glasgow, UK

Date:

5 October 2012

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
TURNOVER	1,2	205,162	185,787
Selling and distribution costs		(22,162)	(44,269)
Administrative expenses		(43,968)	(122,765)
OPERATING PROFIT	3	139,032	18,753
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		139,032	18,753
Tax on profit on ordinary activities	5	(47,443)	14,748
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	91,589	33,501

The company has no recognised gains or losses in 2012 or 2011 other than those included in the profit and loss account.

All results shown above are in respect of continuing activities.

The notes on pages 8 to 11 form part of these financial statements.

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

BALANCE SHEET AS AT 31 MARCH 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible fixed assets	6		1,343,915		1,379,675
CURRENT ASSETS					
DEBTORS: amounts falling due within one year	7	7,601		28,310	
Cash at bank and in hand		21,595		650	
		29,196		28,960	
CREDITORS: amounts falling due within one year	8	(54,196)		(8,878)	
NET CURRENT ASSETS			(25,000)		20,082
TOTAL ASSETS LESS CURRENT LIABILITIES			1,318,915		1,399,757
CREDITORS: amounts falling due after more than one year	9		(1,196,301)		(1,369,415)
PROVISION FOR LIABILITIES					
Deferred tax	10		(683)		-
NET ASSETS			121,931		30,342
CAPITAL AND RESERVES					
Called up share capital	11		1		1
Profit and loss account	12		121,930		30,341
SHAREHOLDERS' FUNDS	13		121,931		30,342

The financial statements were approved and authorised for issue by the board on 4 OCTOBER 2012 and were signed on its behalf by:



S P King
Director

Iona Pub Partnership (Unlicensed) Limited

Registered Number: SC333345

The notes on pages 8 to 11 form part of these financial statements

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

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. Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cashflow statement in accordance with FRS 1.

1.3. Turnover

Turnover comprises revenue recognised by the company in respect of the principal activity of the rental of properties. Rent is recognised evenly throughout the period based on the agreed annual rent.

1.4. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Furniture, fittings and equipment	-	20% straight line

Freehold land is not depreciated.

1.5. 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 and are not discounted.

2. TURNOVER

The total turnover of the company for the year has been derived from its principal activity. All turnover arose within the United Kingdom.

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

3. OPERATING PROFIT

The operating profit is stated after charging:

	2012 £	2011 £
Depreciation of tangible fixed assets:		
- owned by the company	<u>43,280</u>	<u>117,610</u>

The audit fee for the company is incurred by G1 Group plc, a fellow subsidiary company. The audit fee for this company is £2,138 (2011: £2,138).

The company, being a subsidiary, has taken exemption from disclosing non-audit remuneration payable as the required disclosure is made within the parent company statutory accounts.

4. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration (2011: £nil).

5. TAXATION

a) The tax charge is based on profit for the year and comprises:

	2012 £	2011 £
Current tax (see note 5b)		
UK corporation tax charge on profits for the year	41,942	-
Deferred tax (see note 10)		
Origination and reversal of timing differences	5,501	(14,748)
Tax on profit on ordinary activities	<u>47,443</u>	<u>(14,748)</u>

b) The tax assessed for the year is higher than (2011: lower) the standard rate of corporation tax in the UK of 26% (2011: 28 %). The differences are explained below:

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>139,032</u>	<u>18,753</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011: 28%)	36,148	5,251
<i>Effects of:</i>		
Depreciation in excess of capital allowances	5,794	25,565
Expenses not deductible for tax purposes	-	89
Group relief	-	(30,905)
Current tax charge for the year (note 5a)	<u>41,942</u>	<u>-</u>

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

6. TANGIBLE FIXED ASSETS

Cost	Freehold property £	Furniture, fittings and equipment £	Total £
At 1 April 2011	1,443,682	565,295	2,008,977
Additions	1,065	6,455	7,520
At 31 March 2012	<u>1,444,747</u>	<u>571,750</u>	<u>2,016,497</u>
Depreciation			
At 1 April 2011	157,929	471,373	629,302
Charge for the year	30,553	12,727	43,280
At 31 March 2012	<u>188,482</u>	<u>484,100</u>	<u>672,582</u>
Net book value			
At 31 March 2012	<u>1,256,265</u>	<u>87,650</u>	<u>1,343,915</u>
At 31 March 2011	<u>1,285,753</u>	<u>93,922</u>	<u>1,379,675</u>

There is a bond and floating charge held by the bank over certain assets of the company in favour of EH1 Limited, a standard security over the company's properties and cross guarantees in favour of EH1 Limited and certain fellow subsidiary companies for Group borrowings.

7. DEBTORS

	2012 £	2011 £
Trade debtors	7,000	7,619
Other debtors	89	691
Prepaid expenses and accrued income	512	15,182
Deferred tax asset (note 10)	-	4,818
	<u>7,601</u>	<u>28,310</u>

8. CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Accruals and deferred income	9,034	6,408
Corporation tax	41,942	-
Other creditors	3,220	2,470
	<u>54,196</u>	<u>8,878</u>

9. CREDITORS: Amounts falling due after more than one year

	2012 £	2011 £
Amounts owed to group undertakings	<u>1,196,301</u>	<u>1,369,415</u>

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

10. DEFERRED TAXATION

	2012	2011
	£	£
At 1 April 2011	(4,818)	9,930
Charge/ (release) for the year	5,501	(14,748)
At 31 March 2012	<u>683</u>	<u>(4,818)</u>

The provision for deferred taxation is made up as follows:

	2012	2011
	£	£
Accelerated capital allowances	<u>683</u>	<u>(4,818)</u>

11. SHARE CAPITAL

	2012	2011
	£	£
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

12. RESERVES

	Profit and loss account
	£
At 1 April 2011	30,341
Profit for the year	91,589
At 31 March 2012	<u>121,930</u>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Opening shareholders' funds / (deficit)	30,342	(3,159)
Profit for the year	91,589	33,501
Closing shareholders' funds	<u>121,931</u>	<u>30,342</u>

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under paragraph 3(c) of FRS 8 and accordingly transactions between companies within the Group are not disclosed.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is G1 Group (Holdings) plc, a company registered in Scotland. Consolidated accounts are available from the company's registered office. In the opinion of the directors, this is the ultimate parent company. The ultimate controlling party is S.P. King.