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REGISTERED NUMBER: SC267047 (Scotland)

**REGISTRARS COPY**

**HEIGH ROW LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2005**

Milne Craig & Corson  
Abercorn House  
79 Renfrew Road  
Paisley  
PA3 4DA



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COMPANIES HOUSE

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25/07/2006

**HEIGH ROW LIMITED**

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FOR THE YEAR ENDED 31ST DECEMBER 2005**

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**HEIGH ROW LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31ST DECEMBER 2005**

<b>DIRECTOR:</b>	M Pagliocca
<b>SECRETARY:</b>	Mrs J Pagliocca
<b>REGISTERED OFFICE:</b>	263-265 Renfrew Street Glasgow G3 6TT
<b>REGISTERED NUMBER:</b>	SC267047 (Scotland)
<b>AUDITORS:</b>	Milne Craig & Corson Abercorn House 79 Renfrew Road Paisley PA3 4DA
<b>SOLICITORS:</b>	Biggart Baillie Dalmore House 310 St Vincent Street Glasgow G2 5QR

**HEIGH ROW LIMITED**  
**REPORT OF THE DIRECTOR**  
**FOR THE YEAR ENDED 31ST DECEMBER 2005**

The director presents his report with the financial statements of the company and the group for the year ended 31st December 2005.

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of nightclub and bar proprietors.

**REVIEW OF BUSINESS**

The results for the year and financial position of the company and the group are as shown in the annexed financial statements.

**DIVIDENDS**

Interim dividends per share were paid as follows:

100,000	- 30th April 2005
100,000	- 31st August 2005
60,000	- 31st December 2005
<u>260,000</u>	

The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 31st December 2005 will be £260,000.

**DIRECTOR**

M Pagliocca was the sole director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	31.12.05	1.1.05
Ordinary £1 shares	100	100

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the director is required to

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

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**HEIGH ROW LIMITED**  
**REPORT OF THE DIRECTOR**  
**FOR THE YEAR ENDED 31ST DECEMBER 2005**

**AUDITORS**

The auditors, Milne Craig & Corson, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**

M Pagliocca - Director

21st June 2006

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HEIGH ROW LIMITED**

We have audited the financial statements of Heigh Row Limited for the year ended 31st December 2005 on pages five to twenty three. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of director and auditors**

As described on page two the company's director is responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Director is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the Report of the Director and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and the group as at 31st December 2005 and of the profit of the group for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

*Milne, Craig & Corson*

Milne Craig & Corson  
Abercorn House  
79 Renfrew Road  
Paisley  
PA3 4DA

21st June 2006

**HEIGH ROW LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 2005**

	Notes	Year Ended 31.12.05		Period 27.4.04 to 31.12.04	
		£	£	£	£
<b>TURNOVER</b>			2,984,476		-
Acquisitions		<u>2,984,476</u>		<u>-</u>	
Cost of sales	2		<u>689,801</u>		<u>-</u>
<b>GROSS PROFIT</b>	2		2,294,675		-
Net operating expenses	2		<u>546,668</u>		<u>-</u>
<b>OPERATING PROFIT</b>	4		1,748,007		-
Acquisitions		<u>1,748,007</u>		<u>-</u>	
Interest receivable and similar income			<u>24,263</u>		<u>-</u>
			1,772,270		-
Interest payable and similar charges	6		<u>104,481</u>		<u>-</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			1,667,789		-
Tax on profit on ordinary activities	7		<u>26,905</u>		<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>			<u>1,640,884</u>		<u>-</u>
<b>RETAINED PROFIT FOR THE YEAR FOR THE GROUP</b>			<u>1,640,884</u>		<u>-</u>

The notes form part of these financial statements

**HEIGH ROW LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31ST DECEMBER 2005**

	Year Ended 31.12.05 £	Period 27.4.04 to 31.12.04 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>	1,640,884	-
Unrealised surplus on revaluation of property	1,765,776	-
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u>3,406,660</u>	<u>-</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

# HEIGH ROW LIMITED

## CONSOLIDATED BALANCE SHEET 31ST DECEMBER 2005

	Notes	31.12.05 £	£	31.12.04 £	£
<b>FIXED ASSETS</b>					
Tangible assets	10		624,364		-
Investments	11		-		-
Investment property	12		6,671,520		-
			<u>7,295,884</u>		-
<b>CURRENT ASSETS</b>					
Stocks	13	68,471		-	
Debtors	14	164,615		-	
Cash at bank and in hand		128,894		100	
		<u>361,980</u>		<u>100</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	15	2,511,310		-	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(2,149,330)</u>		<u>100</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,146,554		100
<b>CREDITORS</b>					
Amounts falling due after more than one year	16		(1,502,899)		-
<b>PROVISIONS FOR LIABILITIES</b>	20		<u>(29,685)</u>		<u>-</u>
<b>NET ASSETS</b>			<u>3,613,970</u>		<u>100</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		100		100
Share premium	22		467,210		-
Revaluation reserve	22		1,765,776		-
Profit and loss account			1,380,884		-
<b>SHAREHOLDERS' FUNDS</b>	25		<u>3,613,970</u>		<u>100</u>

ON BEHALF OF THE BOARD:

M Pagliocca - Director

Approved by the Board on 21st June 2006

The notes form part of these financial statements

# HEIGH ROW LIMITED

## COMPANY BALANCE SHEET 31ST DECEMBER 2005

	Notes	31.12.05 £	£	31.12.04 £	£
<b>FIXED ASSETS</b>					
Tangible assets	10		96,225		-
Investments	11		467,512		-
Investment property	12		-		-
			<u>563,737</u>		<u>-</u>
<b>CURRENT ASSETS</b>					
Debtors	14	3,294,856		-	
Cash at bank and in hand		939		100	
		<u>3,295,795</u>		<u>100</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	15	3,296,919		-	
		<u></u>		<u></u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(1,124)</u>		<u>100</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			562,613		100
<b>CREDITORS</b>					
Amounts falling due after more than one year	16		53,183		-
			<u>509,430</u>		<u>100</u>
<b>NET ASSETS</b>			<u>509,430</u>		<u>100</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		100		100
Share premium	22		467,210		-
Profit and loss account			42,120		-
			<u>509,430</u>		<u>100</u>
<b>SHAREHOLDERS' FUNDS</b>	25		<u>509,430</u>		<u>100</u>

ON BEHALF OF THE BOARD:

M Pagliocca - Director

Approved by the Board on 21st June 2006

The notes form part of these financial statements

**HEIGH ROW LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2005**

	Notes	Year Ended 31.12.05		Period 27.4.04 to 31.12.04	
		£	£	£	£
<b>Net cash inflow from operating activities</b>	1		2,458,983		-
<b>Returns on investments and servicing of finance</b>	2		(80,218)		-
<b>Capital expenditure and financial investment</b>	2		(5,508,033)		-
<b>Equity dividends paid</b>			(260,000)		-
			<u>(3,389,268)</u>		-
<b>Financing</b>	2		<u>2,211,746</u>		<u>100</u>
<b>(Decrease)/Increase in cash in the period</b>			<u><u>(1,177,522)</u></u>		<u><u>100</u></u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net funds</b>	3				
(Decrease)/Increase in cash in the period		(1,177,522)		100	
Cash inflow from increase in debt and lease financing		<u>(1,741,384)</u>		<u>-</u>	
Change in net funds resulting from cash flows			(2,918,906)		100
New finance leases			<u>(75,060)</u>		<u>-</u>
<b>Movement in net funds in the period</b>			<u>(2,993,966)</u>		<u>100</u>
<b>Net funds at 1st January</b>			<u>100</u>		<u>-</u>
<b>Net (debt)/funds at 31st December</b>			<u><u>(2,993,866)</u></u>		<u><u>100</u></u>

The notes form part of these financial statements

# HEIGH ROW LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2005

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

	Year Ended 31.12.05 £	Period 27.4.04 to 31.12.04 £
Operating profit	1,748,007	-
Depreciation charges	50,831	-
Loss on disposal of fixed assets	2,154	-
Increase in stocks	(68,471)	-
Increase in debtors	(164,615)	-
Increase in creditors	891,077	-
<b>Net cash inflow from operating activities</b>	<b>2,458,983</b>	<b>-</b>

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

	Year Ended 31.12.05 £	Period 27.4.04 to 31.12.04 £
<b>Returns on investments and servicing of finance</b>		
Interest received	24,263	-
Interest paid	(104,039)	-
Interest element of hire purchase payments	(442)	-
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(80,218)</b>	<b>-</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(641,064)	-
Purchase of investment property	(4,905,744)	-
Sale of tangible fixed assets	38,775	-
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(5,508,033)</b>	<b>-</b>
<b>Financing</b>		
New loans in year	1,744,508	-
Capital repayments in year	(3,124)	-
Amount introduced by directors	3,152	-
Share issue	-	100
Share premium	467,210	-
<b>Net cash inflow from financing</b>	<b>2,211,746</b>	<b>100</b>

The notes form part of these financial statements

# HEIGH ROW LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2005

### 3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.05 £	Cash flow £	Other non-cash changes £	At 31.12.05 £
Net cash:				
Cash at bank and in hand	100	128,794		128,894
Bank overdraft	-	(1,306,316)		(1,306,316)
	<u>100</u>	<u>(1,177,522)</u>		<u>(1,177,422)</u>
Debt:				
Hire purchase	-	3,124	(75,060)	(71,936)
Debts falling due within one year	-	(294,792)	-	(294,792)
Debts falling due after one year	-	(1,449,716)	-	(1,449,716)
	<u>-</u>	<u>(1,741,384)</u>	<u>(75,060)</u>	<u>(1,816,444)</u>
Total	<u>100</u>	<u>(2,918,906)</u>	<u>(75,060)</u>	<u>(2,993,866)</u>

The notes form part of these financial statements

# HEIGH ROW LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2005

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

#### Turnover

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

Rental income is included in the period in which it is due.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 2% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% reducing balance
Computer software	- 33% on cost
Computer hardware	- 20% on cost

#### Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

#### Stocks

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

#### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

#### Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to income as incurred.

#### Pensions

The group operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

#### Investments

Investments are valued at cost less provisions for permanent diminution in value.

# HEIGH ROW LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2005

### 2. ANALYSIS OF OPERATIONS

	31.12.05		
	Continuing £	Acquisitions £	Tot- al £
Cost of sales	-	689,801	689,801
Gross profit	-	2,294,675	2,294,675
Net operating expenses:			
Administrative expenses	-	2,173,585	2,173,585
Other operating income	-	1,626,917	1,626,917
	-	546,668	546,668

### 3. STAFF COSTS

	Year Ended 31.12.05 £	Period 27.4.04 to 31.12.04 £
Wages and salaries	1,098,984	-
Social security costs	64,006	-
Other pension costs	18,596	-
	1,181,586	-

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

	Year Ended 31.12.05	Period 27.4.04 to 31.12.04
Operational	125	-
Head office	5	-
	130	-

# HEIGH ROW LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2005

### 4. OPERATING PROFIT

The operating profit is stated after charging:

	Year Ended 31.12.05 £	Period 27.4.04 to 31.12.04 £
Depreciation - owned assets	45,048	-
Depreciation - assets on hire purchase contracts	5,783	-
Loss on disposal of fixed assets	2,154	-
Auditors' remuneration	27,000	-
Auditors - other services	9,494	-
	<u>          </u>	<u>          </u>
Director's emoluments	47,440	-
Director's pension contributions to money purchase schemes	16,832	-
	<u>          </u>	<u>          </u>

### 5. EXCEPTIONAL ITEMS

Included within other operating income is an amount for £1,621,557 relating to loans written off in the period on demerger of Catsinn Limited from CPL Entertainment Group Limited.

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31.12.05 £	Period 27.4.04 to 31.12.04 £
Bank loan interest	100,505	-
Interest payable	3,534	-
Hire purchase	442	-
	<u>          </u>	<u>          </u>
	104,481	-
	<u>          </u>	<u>          </u>

### 7. TAXATION

#### Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	Year Ended 31.12.05 £	Period 27.4.04 to 31.12.04 £
Current tax:		
UK corporation tax	3,964	-
Deferred tax	22,941	-
	<u>          </u>	<u>          </u>
Tax on profit on ordinary activities	26,905	-
	<u>          </u>	<u>          </u>

# HEIGH ROW LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2005

### 7. TAXATION - continued

#### Factors affecting the tax charge

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

	Year Ended 31.12.05 £
Profit on ordinary activities before tax	<u>1,667,789</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	500,337
Effects of:	
Disallowed expenses and non-taxable income	(483,190)
Capital allowances in excess of depreciation	(34,969)
Others	(3,374)
Tax losses	<u>25,160</u>
Current tax charge	<u>3,964</u>

### 8. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £302,120 (2004 - £0).

### 9. DIVIDENDS

	Year Ended 31.12.05 £	Period 27.4.04 to 31.12.04 £
Equity shares:		
Interim	<u>260,000</u>	<u>-</u>

# HEIGH ROW LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2005

### 10. TANGIBLE FIXED ASSETS

#### Group

	Improvem- ents to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
Additions	340,820	227,973	127,989	19,342	716,124
Disposals	-	-	(44,650)	-	(44,650)
At 31st December 2005	<u>340,820</u>	<u>227,973</u>	<u>83,339</u>	<u>19,342</u>	<u>671,474</u>
<b>DEPRECIATION</b>					
Charge for year	1,569	36,110	9,504	3,648	50,831
Eliminated on disposal	-	-	(3,721)	-	(3,721)
At 31st December 2005	<u>1,569</u>	<u>36,110</u>	<u>5,783</u>	<u>3,648</u>	<u>47,110</u>
<b>NET BOOK VALUE</b>					
At 31st December 2005	<u><u>339,251</u></u>	<u><u>191,863</u></u>	<u><u>77,556</u></u>	<u><u>15,694</u></u>	<u><u>624,364</u></u>

The net book value of tangible fixed assets includes £77,556 in respect of assets held under hire purchase contracts.

#### Company

	Improvem- ents to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
Additions	787,469	3,424	83,339	19,342	893,574
Disposals	(787,469)	-	-	-	(787,469)
At 31st December 2005	<u>-</u>	<u>3,424</u>	<u>83,339</u>	<u>19,342</u>	<u>106,105</u>
<b>DEPRECIATION</b>					
Charge for year	-	449	5,783	3,648	9,880
At 31st December 2005	<u>-</u>	<u>449</u>	<u>5,783</u>	<u>3,648</u>	<u>9,880</u>
<b>NET BOOK VALUE</b>					
At 31st December 2005	<u><u>-</u></u>	<u><u>2,975</u></u>	<u><u>77,556</u></u>	<u><u>15,694</u></u>	<u><u>96,225</u></u>

The net book value of tangible fixed assets includes £77,556 in respect of assets held under hire purchase contracts.

# HEIGH ROW LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2005

### 11. FIXED ASSET INVESTMENTS

#### Company

	Unlisted investme- nts £
<b>COST</b>	
Additions	467,512
At 31st December 2005	<u>467,512</u>
<b>NET BOOK VALUE</b>	
At 31st December 2005	<u><u>467,512</u></u>

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

#### Subsidiaries

##### Catsinn Limited

Country of incorporation: Scotland  
Nature of business: Nightclub proprietors

	% holding	31.12.05 £	31.12.04 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		1,952,692	467,308
Profit for the year/period		<u>1,485,384</u>	<u>238,758</u>

##### Waglio Limited

Country of incorporation: Scotland  
Nature of business: Property holding company

	% holding	31.12.05 £
Class of shares:		
Ordinary	100.00	
Aggregate capital and reserves		<u>1,765,778</u>

##### Scoozi Limited

Country of incorporation: Scotland  
Nature of business: Nightclub operator

	% holding	31.12.05 £
Class of shares:		
Ordinary	100.00	
Aggregate capital and reserves		(173,277)
Loss for the year		<u>(173,377)</u>

# **HEIGH ROW LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31ST DECEMBER 2005**

### **11. FIXED ASSET INVESTMENTS - continued**

#### **Spago Limited**

Country of incorporation: Scotland

Nature of business: Public house & nightclub operator

Class of shares:	%	
Ordinary	holding	
	100.00	
		31.12.05
		£
Aggregate capital and reserves		26,858
Profit for the year		26,758
		<u>          </u>

#### **Schumi Limited**

Country of incorporation: Scotland

Nature of business: Dormant

Class of shares:	%	
Ordinary	holding	
	100.00	
		31.12.05
		£
Aggregate capital and reserves		2
		<u>          </u>

### **12. INVESTMENT PROPERTY**

#### **Group**

	Total
	£
<b>COST OR VALUATION</b>	
Additions	4,905,744
Revaluations	1,765,776
	<u>          </u>
At 31st December 2005	6,671,520
	<u>          </u>
<b>NET BOOK VALUE</b>	
At 31st December 2005	6,671,520
	<u>          </u>

Cost or valuation at 31st December 2005 is represented by:

	£
Valuation in 2004	1,765,776
Cost	4,905,744
	<u>          </u>
	6,671,520
	<u>          </u>

If investment property had not been revalued it would have been included at the following historical cost:

	31.12.05	31.12.04
	£	£
Cost	4,905,744	-
	<u>          </u>	<u>          </u>

Investment property was valued on an open market basis on 31st May 2004 by Creevy LLH.

# **HEIGH ROW LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31ST DECEMBER 2005**

### **12. INVESTMENT PROPERTY - continued**

#### **Group**

The property from Catsinn Limited has been revalued using the valuation from the demerger of Catsinn Limited from CPL Entertainment Group Limited as at 20th December 2004. The director is of the opinion there has been no significant change in the valuation of the property from this date and the property is represented at the current market value at the balance sheet date.

The other investment properties have not been revalued as they were acquired in the current year and in the opinion of the director, represent the current market value at the balance sheet date.

### **13. STOCKS**

	<b>Group</b>	
	31.12.05	31.12.04
	£	£
Stocks	1,000	-
Raw materials	67,471	-
	<u>68,471</u>	<u>-</u>

### **14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.05	31.12.04	31.12.05	31.12.04
	£	£	£	£
Trade debtors	7,773	-	3,525	-
Amounts owed by group undertakings	-	-	3,284,388	-
Other debtors	125	-	-	-
Value added tax	33,651	-	4,052	-
Prepayments	123,066	-	2,891	-
	<u>164,615</u>	<u>-</u>	<u>3,294,856</u>	<u>-</u>

### **15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.05	31.12.04	31.12.05	31.12.04
	£	£	£	£
Bank loans and overdrafts (see note 17)	1,601,108	-	1,161,837	-
Hire purchase contracts (see note 18)	18,753	-	18,753	-
Trade creditors	524,243	-	33,752	-
Amounts owed to group undertakings	-	-	1,967,217	-
Corporation tax	3,964	-	-	-
Social security and other taxes	78,390	-	-	-
Other creditors	89,810	-	88,705	-
Directors' loan accounts	3,152	-	3,152	-
Accrued expenses	191,890	-	23,503	-
	<u>2,511,310</u>	<u>-</u>	<u>3,296,919</u>	<u>-</u>

**HEIGH ROW LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST DECEMBER 2005**

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.05	31.12.04	31.12.05	31.12.04
	£	£	£	£
Bank loans (see note 17)	1,449,716	-	-	-
Hire purchase contracts (see note 18)	53,183	-	53,183	-
	<u>1,502,899</u>	<u>-</u>	<u>53,183</u>	<u>-</u>

**17. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	31.12.05	31.12.04	31.12.05	31.12.04
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	1,306,316	-	1,161,837	-
Bank loans	294,792	-	-	-
	<u>1,601,108</u>	<u>-</u>	<u>1,161,837</u>	<u>-</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	235,297	-	-	-
Amounts falling due between two and five years:				
Bank loans - 2-5 years	705,891	-	-	-
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more than 5 years, by instalments	508,528	-	-	-

**18. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

**Group**

	<b>Hire purchase contracts</b>	
	31.12.05	31.12.04
	£	£
Net obligations repayable:		
Within one year	18,753	-
Between one and five years	53,183	-
	<u>71,936</u>	<u>-</u>

# HEIGH ROW LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2005

### 18. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS - continued

#### Company

	Hire purchase contracts	
	31.12.05	31.12.04
	£	£
Net obligations repayable:		
Within one year	18,753	-
Between one and five years	53,183	-
	<u>71,936</u>	<u>-</u>

### 19. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	31.12.05	31.12.04	31.12.05	31.12.04
	£	£	£	£
Bank overdraft	1,306,316	-	1,161,837	-
Bank loans	1,744,508	-	-	-
Hire purchase contracts	71,936	-	71,936	-
	<u>3,122,760</u>	<u>-</u>	<u>1,233,773</u>	<u>-</u>

Bank borrowings are secured by a first and only floating charge from each group company and a composite guarantee by each group company (as guarantor) in favour of the bank on account of each group company (as principal).

### 20. PROVISIONS FOR LIABILITIES

	Group	
	31.12.05	31.12.04
	£	£
Deferred tax	<u>29,685</u>	<u>-</u>
<b>Group</b>		
		Deferred tax
		£
Accelerated capital allowances		<u>29,685</u>
Balance at 31st December 2005		<u>29,685</u>

### 21. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.05	31.12.04
		£1	£	£
100	Ordinary		<u>100</u>	<u>100</u>

# **HEIGH ROW LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31ST DECEMBER 2005**

### **22. RESERVES**

#### **Group**

	Profit and loss account £	Share premium £	Revaluat- ion reserve £	Totals £
Retained profit for the year	1,640,884			1,640,884
Dividends	(260,000)			(260,000)
Purchase of subsidiary shares	-	-	1,765,776	1,765,776
Share premium	-	467,210	-	467,210
	<u>1,380,884</u>	<u>467,210</u>	<u>1,765,776</u>	<u>3,613,870</u>
At 31st December 2005				

#### **Company**

	Profit and loss account £	Share premium £	Totals £
Retained profit for the year	302,120		302,120
Dividends	(260,000)		(260,000)
Purchase of subsidiary shares	-	467,210	467,210
	<u>42,120</u>	<u>467,210</u>	<u>509,330</u>
At 31st December 2005			

### **23. PENSION COMMITMENTS**

The company operates a defined contribution scheme. The assets are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £18,596.

### **24. RELATED PARTY DISCLOSURES**

The group is ultimately controlled by the director and sole shareholder, M Pagliocca. Each member of the group has cross guaranteed the respective bank borrowings of all other group companies.

At 31st December, 2005 the company owed £3,152 to the director, M Pagliocca. The loan was interest free and has no fixed repayment terms.

# HEIGH ROW LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2005

### 25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	31.12.05 £	31.12.04 £
Profit for the financial year	1,640,884	-
Dividends	(260,000)	-
	<u>1,380,884</u>	<u>-</u>
Other recognised gains and losses relating to the year (net)	1,765,776	-
Share issue	-	100
Share premium	467,210	-
	<u>3,613,870</u>	<u>100</u>
Net addition to shareholders' funds	3,613,870	100
Opening shareholders' funds	100	-
	<u>3,613,970</u>	<u>100</u>
Closing shareholders' funds	<u>3,613,970</u>	<u>100</u>
Equity interests	<u>3,613,970</u>	<u>100</u>
Company	31.12.05 £	31.12.04 £
Profit for the financial year	302,120	-
Dividends	(260,000)	-
	<u>42,120</u>	<u>-</u>
Share issue	-	100
Share premium	467,210	-
	<u>509,330</u>	<u>100</u>
Net addition to shareholders' funds	509,330	100
Opening shareholders' funds	100	-
	<u>509,430</u>	<u>100</u>
Closing shareholders' funds	<u>509,430</u>	<u>100</u>
Equity interests	<u>509,430</u>	<u>100</u>