

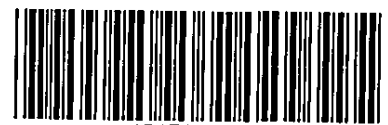
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**HEIGH ROW LIMITED**  
**REPORT OF THE DIRECTOR AND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

Milne Craig  
Chartered accountants  
Registered auditor  
Abercorn House  
79 Renfrew Road  
Paisley  
Renfrewshire  
PA3 4DA

TUESDAY



SCT      \*S1FS7DYX\*      #352  
21/08/2012  
COMPANIES HOUSE

# **HEIGH ROW LIMITED**

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**HEIGH ROW LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

<b>DIRECTOR:</b>	Cav. Michele Pagliocca
<b>SECRETARY:</b>	Mrs Josephine Pagliocca
<b>REGISTERED OFFICE:</b>	151 Bath Street Glasgow G2 4SQ
<b>REGISTERED NUMBER:</b>	SC267047 (Scotland)
<b>AUDITORS:</b>	Milne Craig Chartered accountants Registered auditor Abercorn House 79 Renfrew Road Paisley Renfrewshire 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 31 DECEMBER 2011

The director presents his report with the financial statements of the company and the group for the year ended 31 December 2011.

#### 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

The total distribution of dividends for the year ended 31 December 2011 will be £39,000.

#### DIRECTOR

Cav. Michele Pagliocca held office during the whole of the period from 1 January 2011 to the date of this report.

#### STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

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

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

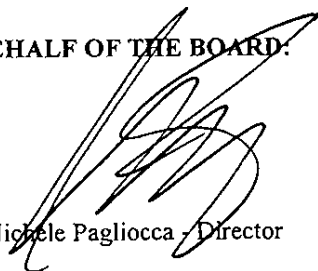
#### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) 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.

#### AUDITORS

The auditors, Milne Craig, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Cav. Michele Pagliocca - Director

27 July 2012

## **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 31 December 2011 on pages five to twenty. 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Director 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 group's and of the parent company's affairs as at 31 December 2011 and of the group's 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.

### **Emphasis of matter**

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures in note 1 to the accounts concerning the impairment of the company's fixed assets. Recent impairment reviews indicate a reduction in the overall value of the company's fixed assets. In the opinion of the director, under normal market conditions, the market value of properties would not be in line with current valuations, therefore in preparing the financial statements no provision has been made for impairment.

Furthermore, note 1 to the accounts discloses the current position with regard to the availability of bank funding and why in the opinion of the director it is appropriate to prepare the accounts on the going concern basis.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
HEIGH ROW 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*S C MacLeod*

S C MacLeod (Senior Statutory Auditor)  
for and on behalf of Milne Craig  
Chartered accountants  
Registered auditor  
Abercorn House  
79 Renfrew Road  
Paisley  
Renfrewshire  
PA3 4DA

27 July 2012

# HEIGH ROW LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
<b>TURNOVER</b>		3,259,322	3,292,245
Cost of sales		918,050	903,484
<b>GROSS PROFIT</b>		2,341,272	2,388,761
Administrative expenses		2,044,618	2,209,460
		296,654	179,301
Other operating income		114,288	103,252
<b>OPERATING PROFIT</b>	3	410,942	282,553
Interest receivable and similar income		-	9,045
		410,942	291,598
Interest payable and similar charges	4	276,803	256,436
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		134,139	35,162
Tax on profit on ordinary activities	5	6,014	(1,772)
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		128,125	36,934
Minority interest - equity		4,265	29,109
<b>RETAINED PROFIT CARRIED FORWARD FOR THE GROUP</b>		123,860	7,825

### CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

### TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current year or previous year.

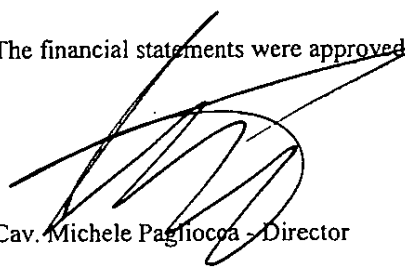
### NOTE OF HISTORICAL COST PROFITS AND LOSSES

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**  
**31 DECEMBER 2011**

	Notes	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible assets	8	6,874,623	6,895,575
Investments	9	-	-
		<u>6,874,623</u>	<u>6,895,575</u>
<b>CURRENT ASSETS</b>			
Stocks	10	77,108	61,198
Debtors	11	67,765	101,333
Cash at bank and in hand		19,797	12,045
		<u>164,670</u>	<u>174,576</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	936,474	1,017,471
<b>NET CURRENT LIABILITIES</b>		<u>(771,804)</u>	<u>(842,895)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,102,819</u>	<u>6,052,680</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	(3,975,000)	(4,020,000)
<b>PROVISIONS FOR LIABILITIES</b>	16	(51,126)	(45,112)
<b>MINORITY INTERESTS</b>	17	(350,953)	(346,688)
<b>NET ASSETS</b>		<u><u>1,725,740</u></u>	<u><u>1,640,880</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	100	100
Share premium	19	467,210	467,210
Revaluation reserve	19	1,810,041	604,236
Other reserves	19	130,948	130,948
Profit and loss account		(682,559)	438,386
<b>SHAREHOLDERS' FUNDS</b>	23	<u><u>1,725,740</u></u>	<u><u>1,640,880</u></u>

The financial statements were approved by the director on 27 July 2012 and were signed by:

  
Cav. Michele Pagliocca - Director

The notes form part of these financial statements




**HEIGH ROW LIMITED**  
**COMPANY BALANCE SHEET**  
**31 DECEMBER 2011**

	Notes	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible assets	8	11,779	10,912
Investments	9	467,416	467,516
		<u>479,195</u>	<u>478,428</u>
<b>CURRENT ASSETS</b>			
Debtors	11	1,357,069	1,292,588
Cash at bank		1,047	1,045
		<u>1,358,116</u>	<u>1,293,633</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>1,154,956</u>	<u>1,151,317</u>
<b>NET CURRENT ASSETS</b>		<u>203,160</u>	<u>142,316</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>682,355</u></u>	<u><u>620,744</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	100	100
Share premium	19	467,210	467,210
Profit and loss account		215,045	153,434
<b>SHAREHOLDERS' FUNDS</b>	23	<u><u>682,355</u></u>	<u><u>620,744</u></u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the director on 27 July 2012 and were signed by:

  
 Cap. Michele Pagliocca - Director

# HEIGH ROW LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Net cash inflow from operating activities	1	487,692	235,748
Returns on investments and servicing of finance	2	(276,803)	(247,391)
Capital expenditure	2	(49,392)	(8,785)
Equity dividends paid		(39,000)	(12,500)
		122,497	(32,928)
Financing	2	(118,539)	25
Increase/(decrease) in cash in the period		3,958	(32,903)

### Reconciliation of net cash flow to movement in net debt

	3		
Increase/(decrease) in cash in the period		3,958	(32,903)
Cash outflow from decrease in debt		45,000	7,652
Change in net debt resulting from cash flows		48,958	(25,251)
Movement in net debt in the period		48,958	(25,251)
Net debt at 1 January		(4,285,577)	(4,260,326)
Net debt at 31 December		(4,236,619)	(4,285,577)

The notes form part of these financial statements

# HEIGH ROW LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

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

	2011 £	2010 £
Operating profit	410,942	282,553
Depreciation charges	72,154	102,742
Profit on disposal of fixed assets	(1,811)	-
(Increase)/decrease in stocks	(15,910)	6,936
Decrease in debtors	33,568	116,267
Decrease in creditors	(11,251)	(272,750)
<b>Net cash inflow from operating activities</b>	<b>487,692</b>	<b>235,748</b>

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

	2011 £	2010 £
<b>Returns on investments and servicing of finance</b>		
Interest received	-	9,045
Interest paid	(276,803)	(256,436)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(276,803)</b>	<b>(247,391)</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(52,642)	(8,785)
Sale of tangible fixed assets	3,250	-
<b>Net cash outflow for capital expenditure</b>	<b>(49,392)</b>	<b>(8,785)</b>
<b>Financing</b>		
Loan repayments in year	(45,000)	(7,652)
Amount withdrawn by directors	(73,539)	7,677
<b>Net cash (outflow)/inflow from financing</b>	<b>(118,539)</b>	<b>25</b>

# HEIGH ROW LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

### 3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/1/11 £	Cash flow £	At 31/12/11 £
Net cash:			
Cash at bank and in hand	12,045	7,752	19,797
Bank overdraft	(277,622)	(3,794)	(281,416)
	<u>(265,577)</u>	<u>3,958</u>	<u>(261,619)</u>
Debt:			
Debts falling due after one year	(4,020,000)	45,000	(3,975,000)
	<u>(4,020,000)</u>	<u>45,000</u>	<u>(3,975,000)</u>
Total	<u>(4,285,577)</u>	<u>48,958</u>	<u>(4,236,619)</u>

## HEIGH ROW LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

#### 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.

Consideration is given to the point at which the group is entitled to the income.

##### **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

Depreciation has not been charged on the land and buildings owned by the company, as the directors are of the opinion that the depreciation charge would not be material given the value of land within the valuations and given the net realisable values of the properties.

The carrying value of tangible fixed assets are reviewed for impairment in period if events or changes in circumstances indicate the carrying value may not be recoverable.

The director regularly obtains third party property valuations. Recent valuations indicate that due to exceptional market conditions the market value of properties is approximately £4,300,000.

The director is of the opinion that under normal market conditions the market value of the properties would be in line with the carrying value at 31st December, 2011 and that any provision for impairment would also be reduced due to the value in use of the trading units.

##### **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.

##### **Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

##### **Investments**

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

##### **Going concern**

The bank borrowing facilities which are currently in place are subject to a rolling review of the funding agreement. The loans are being serviced in accordance with the agreement in place and the bank have indicated their continued support of the company on this basis. The director is therefore of the opinion that it is appropriate to prepare the accounts on the going concern basis.

# HEIGH ROW LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2011

### 2. STAFF COSTS

	2011	2010
	£	£
Wages and salaries	1,101,225	1,098,059
Social security costs	58,209	63,541
Other pension costs	14,250	6,317
	<u>1,173,684</u>	<u>1,167,917</u>

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

	2011	2010
Operational	106	104
Head office	2	2
	<u>108</u>	<u>106</u>

### 3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2011	2010
	£	£
Depreciation - owned assets	72,155	102,742
Profit on disposal of fixed assets	(1,811)	-
Auditors' remuneration	15,004	13,151
	<u>14,250</u>	<u>6,317</u>
Director's remuneration	-	-
Director's pension contributions to money purchase schemes	14,250	6,317

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Bank interest	6,657	4,486
Bank loan interest	262,966	249,570
Interest payable	7,180	2,380
	<u>276,803</u>	<u>256,436</u>

### 5. TAXATION

#### Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	2011	2010
	£	£
Deferred tax	6,014	(1,772)
Tax on profit on ordinary activities	<u>6,014</u>	<u>(1,772)</u>

# HEIGH ROW LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2011

### 5. TAXATION - continued

#### Factors affecting the tax charge/(credit)

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

	2011 £	2010 £
Profit on ordinary activities before tax	<u>134,139</u>	<u>35,162</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2010 - 21%)	26,828	7,384
Effects of:		
Disallowed expenses and non-taxable income	43,213	3,015
Capital allowances in excess of depreciation	(971)	9,015
Tax losses rebasing	(69,070)	(19,414)
Current tax charge/(credit)	<u>-</u>	<u>-</u>

### 6. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, 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 £100,611 (2010 - £(16,195) loss).

### 7. DIVIDENDS

	2011 £	2010 £
Interim	<u>39,000</u>	<u>12,500</u>

# HEIGH ROW LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2011

### 8. TANGIBLE FIXED ASSETS

#### Group

	Freehold property £	Improvements to property £	Fixtures and fittings £
<b>COST OR VALUATION</b>			
At 1 January 2011	6,770,776	1,250	631,547
Additions	-	-	47,813
Disposals	-	-	(284,843)
At 31 December 2011	6,770,776	1,250	394,517
<b>DEPRECIATION</b>			
At 1 January 2011	-	518	517,568
Charge for year	-	125	69,717
Eliminated on disposal	-	-	(284,843)
At 31 December 2011	-	643	302,442
<b>NET BOOK VALUE</b>			
At 31 December 2011	6,770,776	607	92,075
At 31 December 2010	6,770,776	732	113,979

	Motor vehicles £	Computer equipment £	Totals £
<b>COST OR VALUATION</b>			
At 1 January 2011	6,770	27,748	7,438,091
Additions	4,829	-	52,642
Disposals	(6,770)	-	(291,613)
At 31 December 2011	4,829	27,748	7,199,120
<b>DEPRECIATION</b>			
At 1 January 2011	4,851	19,579	542,516
Charge for year	480	1,833	72,155
Eliminated on disposal	(5,331)	-	(290,174)
At 31 December 2011	-	21,412	324,497
<b>NET BOOK VALUE</b>			
At 31 December 2011	4,829	6,336	6,874,623
At 31 December 2010	1,919	8,169	6,895,575



# HEIGH ROW LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2011

### 8. TANGIBLE FIXED ASSETS - continued

#### Group

Cost or valuation at 31 December 2011 is represented by:

	Freehold property £	Improvements to property £	Fixtures and fittings £
Valuation in 2005	1,765,776	-	-
Valuation in 2006	(473,049)	-	-
Valuation in 2007	(399,340)	-	-
Valuation in 2009	(87,737)	-	-
Cost	5,965,126	1,250	394,517
	<u>6,770,776</u>	<u>1,250</u>	<u>394,517</u>
	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2005	-	-	1,765,776
Valuation in 2006	-	-	(473,049)
Valuation in 2007	-	-	(399,340)
Valuation in 2009	-	-	(87,737)
Cost	4,829	27,748	6,393,470
	<u>4,829</u>	<u>27,748</u>	<u>7,199,120</u>

#### Company

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 January 2011	1,250	4,164	6,770	27,748	39,932
Additions	-	-	4,829	-	4,829
Disposals	-	-	(6,770)	-	(6,770)
At 31 December 2011	<u>1,250</u>	<u>4,164</u>	<u>4,829</u>	<u>27,748</u>	<u>37,991</u>
<b>DEPRECIATION</b>					
At 1 January 2011	518	4,072	4,851	19,579	29,020
Charge for year	125	85	480	1,833	2,523
Eliminated on disposal	-	-	(5,331)	-	(5,331)
At 31 December 2011	<u>643</u>	<u>4,157</u>	<u>-</u>	<u>21,412</u>	<u>26,212</u>
<b>NET BOOK VALUE</b>					
At 31 December 2011	<u>607</u>	<u>7</u>	<u>4,829</u>	<u>6,336</u>	<u>11,779</u>
At 31 December 2010	<u>732</u>	<u>92</u>	<u>1,919</u>	<u>8,169</u>	<u>10,912</u>

# HEIGH ROW LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2011

### 9. FIXED ASSET INVESTMENTS

Company	Unlisted investments £
<b>COST</b>	
At 1 January 2011	467,516
Disposals	(100)
At 31 December 2011	<u>467,416</u>
<b>NET BOOK VALUE</b>	
At 31 December 2011	<u>467,416</u>
At 31 December 2010	<u>467,516</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	2011 £	2010 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		346,452	341,222
Profit/(loss) for the year		<u>5,230</u>	<u>(1,212,098)</u>

##### Waglio Limited

Country of incorporation: Scotland

Nature of business: Property holding company

	% holding	2011 £	2010 £
Class of shares:			
Ordinary	75.00		
Aggregate capital and reserves		1,403,811	1,386,750
Profit for the year		<u>17,061</u>	<u>116,438</u>

##### Spago Limited

Nature of business: Public house and nightclub operator

	% holding	2011 £	2010 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		111,591	108,689
Profit for the year		<u>2,902</u>	<u>15,583</u>

# HEIGH ROW LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2011

### 9. FIXED ASSET INVESTMENTS - continued

Schumi Limited

Country of incorporation: Scotland

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

	2011	2010
	£	£
Aggregate capital and reserves	2	2

### 10. STOCKS

	Group	
	2011	2010
	£	£
Goods for resale	77,108	61,198

### 11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	5,248	8,910	-	5,122
Amounts owed by group undertakings	-	-	1,351,011	1,284,055
Prepayments	62,517	92,423	6,058	3,411
	67,765	101,333	1,357,069	1,292,588

### 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts (see note 14)	281,416	277,622	339,453	388,076
Trade creditors	327,748	266,228	4,135	21,200
Amounts owed to group undertakings	-	-	738,925	560,342
Social security and other taxes	141,958	119,860	(1,137)	852
Other creditors	61,200	78,000	61,200	78,000
Directors' loan accounts	7,381	80,921	7,381	80,921
Accrued expenses	116,771	194,840	4,999	21,926
	936,474	1,017,471	1,154,956	1,151,317

### 13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2011	2010
	£	£
Bank loans (see note 14)	3,975,000	4,020,000

# HEIGH ROW LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2011

### 14. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	<u>281,416</u>	<u>277,622</u>	<u>339,453</u>	<u>388,076</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more than 5 years, by instalments	<u>3,725,000</u>	<u>3,770,000</u>	<u>-</u>	<u>-</u>

### 15. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank overdrafts	281,416	277,622	339,453	388,076
Bank loans	<u>3,975,000</u>	<u>4,020,000</u>	<u>-</u>	<u>-</u>
	<u>4,256,416</u>	<u>4,297,622</u>	<u>339,453</u>	<u>388,076</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).

### 16. PROVISIONS FOR LIABILITIES

	Group	
	2011	2010
	£	£
Deferred tax	<u>51,126</u>	<u>45,112</u>
Group		
		Deferred tax
		£
Balance at 1 January 2011		45,112
Credit to profit and loss account during year		<u>6,014</u>
Balance at 31 December 2011		<u>51,126</u>

# HEIGH ROW LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2011

### 17. MINORITY INTERESTS

All of the amounts are attributable to equity minority interests.

### 18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2011	2010
		£1	£	£
100	Ordinary		100	100

### 19. RESERVES

#### Group

	Profit and loss account £	Share premium £	Revaluation reserve £	Other reserves £	Totals £
At 1 January 2011	438,386	467,210	604,236	130,948	1,640,780
Profit for the year	123,860				123,860
Dividends	(39,000)				(39,000)
Transfer of fall in property value below historic cost	(1,205,805)	-	1,205,805		
At 31 December 2011	<u>(682,559)</u>	<u>467,210</u>	<u>1,810,041</u>	<u>130,948</u>	<u>1,725,640</u>

#### Company

	Profit and loss account £	Share premium £	Totals £
At 1 January 2011	153,434	467,210	620,644
Profit for the year	100,611		100,611
Dividends	(39,000)		(39,000)
At 31 December 2011	<u>215,045</u>	<u>467,210</u>	<u>682,255</u>

As the carrying value of one of the properties held is considered to have fallen below historic cost, a transfer has been made from the revaluation reserve to the profit and loss account to reflect this.

### 20. 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 £14,250 (2010: £6,317). No balance was outstanding at the year end (2010 : £nil).

### 21. CONTINGENT LIABILITIES

The company has a contingent liability regarding the cross guarantee of group bank borrowing facilities. At 31st December, 2011 the total facility available amounted to £4,425,000 of which £4,245,968 had been utilised.

The facility of £4,425,000 bank borrowings are secured by a first and only floating charge from each group company and a composite guarantee by each company (as guarantor) in favour of the bank on account of each group company (as principal).

# **HEIGH ROW LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31 DECEMBER 2011**

### **22. 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, 2011 the company owed £7,381 (2010 £80,921) to the director, M Pagliocca. The loan was interest free and has no fixed repayment terms.

### **23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

#### **Group**

	2011 £	2010 £
Profit for the financial year	123,860	7,825
Dividends	(39,000)	(12,500)
<b>Net addition/(reduction) to shareholders' funds</b>	<b>84,860</b>	<b>(4,675)</b>
Opening shareholders' funds	1,640,880	1,645,555
<b>Closing shareholders' funds</b>	<b>1,725,740</b>	<b>1,640,880</b>

#### **Company**

	2011 £	2010 £
Profit/(loss) for the financial year	100,611	(16,195)
Dividends	(39,000)	(12,500)
<b>Net addition/(reduction) to shareholders' funds</b>	<b>61,611</b>	<b>(28,695)</b>
Opening shareholders' funds	620,744	649,439
<b>Closing shareholders' funds</b>	<b>682,355</b>	<b>620,744</b>