

CANONBURY LIMITED

FINANCIAL STATEMENTS

1ST OCTOBER 1996 TO 30TH SEPTEMBER 1997

COMPANY REGISTRATION NUMBER: 2212844



CANONBURY LIMITED

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FOR THE YEAR ENDED 30TH SEPTEMBER 1997

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**CANONBURY LIMITED**

**DIRECTORS:** T.J. Hedderson  
J. Hedderson  
G. Hedderson

**SECRETARY:** T.J. Hedderson

**REGISTERED OFFICE:** 190/192  
New North Road,  
London  
N1 7BJ

**REGISTERED AUDITORS:** S J Wright & Co.  
Certified Accountants,  
336 Hackney Road,  
London.  
E2 7AX.

**CANONBURY LIMITED****REPORT OF THE DIRECTORS**

The directors submit their report together with the financial statements of the company for the year ended 30 September 1997.

**PRINCIPAL ACTIVITIES**

The company's principal activities during the year were those of the operation of licensed premises and property letting.

**RESPONSIBILITIES OF DIRECTORS**

Company law requires the directors to prepare financial statements for each financial year which 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;
- \* comply with applicable accounting standards 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 maintaining proper accounting records which 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 1985. 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.

**CANONBURY LIMITED**  
**REPORT OF THE DIRECTORS**

**DIRECTORS**

The directors of the company and their interests in the shares of the company during the year are set out below:-

<u>Directors</u>	<u>Ordinary Shares</u> <u>At 30th September 1997</u>	<u>Ordinary Shares</u> <u>At 30 September 1996</u>
J Hedderson	10,000	10,000
T J Hedderson	5,824	7,200
G Hedderson	-	-

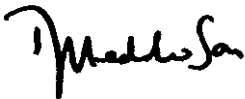
**REGISTERED AUDITORS**

A resolution will be proposed at the forthcoming Annual General Meeting that S J Wright & Co. be reappointed registered auditors.

**SMALL COMPANY EXEMPTIONS**

The report has been prepared in accordance with the special provisions of part vii of the Companies Act 1985 relating to small companies.

By Order of the Board



TJ HEDDERSON  
Secretary

31 March 1998

**AUDITORS' REPORT****TO THE MEMBERS OF CANONBURY LIMITED**

We have audited the financial statements on pages 6 to 12 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors 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 of the state of the company's affairs as at 30th September, 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

SJ Wright & Co.

S J Wright & Co.,  
Registered Auditors,  
Certified Accountants,

336 Hackney Road,  
London, E2 7AX

31 March 1998

REPORT OF THE AUDITORS  
TO THE DIRECTORS OF CANONBURY LIMITED  
PURSUANT TO SECTION 248(3) OF THE COMPANIES ACT, 1985

We have examined the aggregation of the relevant figures required by Section 249 of the Companies Act 1985. The scope of our work for the purposes of this report was limited to confirming that the company is entitled to the exemption from the need to prepare group accounts.

In our opinion the company is entitled to take advantage of the exemption under Section 248 of the Companies Act 1985 from the need to prepare group accounts for the year ended 30 September 1997.

*S J Wright 86*

S J Wright & Co.,  
Registered Auditors,  
Certified Accountants,

336 Hackney Road,  
London E2 7AX

31 March 1998

**CANONBURY LIMITED****PROFIT AND LOSS ACCOUNT FOR THE**  
**YEAR ENDED 30TH SEPTEMBER 1997**

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
<b>TURNOVER</b>	1(b)	571,807	427,632
Administrative expenses		(429,160)	(349,862)
<b>OPERATING PROFIT</b>		142,647	77,770
Management Charge		35,819	35,497
Compensation on Surrender of Leases		20,000	-
Profit on Disposal of Fixed Assets		-	4,960
Profit on Disposal of Investments		-	116
Interest receivable and similar income	3	3,126	17
Interest payable and similar charges		(164)	(9,914)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	201,428	108,446
Tax on profit on ordinary activities	4	51,662	26,166
<b>RETAINED PROFIT FOR THE YEAR</b>		149,766	82,280
<b>RETAINED PROFITS BROUGHT FORWARD</b>		696,265	613,985
<b>RETAINED PROFITS CARRIED FORWARD</b>		846,031	696,265

All of the operations undertaken by the company during the current and preceding periods are continuing operations.

The company has no recognised gains other than the profit for the period.

The notes on pages 8 to 12 form an integral part of these accounts.



CANONBURY LIMITEDBALANCE SHEET AT 30TH SEPTEMBER 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
<b><u>FIXED ASSETS</u></b>			
Tangible Assets	5	2,220,019	2,231,239
Investments	6	841	841
		<u>2,220,860</u>	<u>2,232,080</u>
<b><u>CURRENT ASSETS</u></b>			
Stock		7,086	5,134
Debtors	7	88,976	195,742
Cash at Bank and in Hand		3,364	1,873
		<u>99,426</u>	<u>202,749</u>
<b>CREDITORS:AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	8	<u>(135,268)</u>	<u>(399,577)</u>
<b>NET CURRENT LIABILITIES</b>		<u>( 35,842)</u>	<u>(196,828)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,185,018</u>	<u>2,035,252</u>
<b><u>CAPITAL AND RESERVES</u></b>			
Called Up Share Capital	9	20,618	20,618
Profit and Loss Account		846,031	696,265
Other reserves	10	1,318,369	1,318,369
		<u>2,185,018</u>	<u>2,035,252</u>

The accounts have been prepared in accordance with the special provisions of part vii of the Companies Act, 1985 relating to small companies.

Approved by the Board on 31 March 1998 (and signed on its behalf)

.....  
T.J. Hedderson  
(Director)

The notes on pages 8 to 12 form an integral part of these accounts.

**CANONBURY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30TH SEPTEMBER 1997****1. ACCOUNTING POLICIES****(a) Accounting convention**

The financial statements have been prepared in accordance with applicable accounting standards. Compliance with SSAP 19 "Accounting for Investment Properties" requires departure from the requirements of Companies Act 1985 relating to depreciation and amortisation and an explanation of the departure is given in note 1(g) below.

**(b) Turnover**

Turnover represents the amount of goods invoiced, stated net of discounts and value added tax and includes income from rentals from properties.

**(c) Depreciation**

Depreciation is provided on all fixed assets other than freehold and long leasehold land and buildings, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Motor Vehicles	-	25% per annum
Plant and Machinery	-	25% per annum
Fixtures and Fittings	-	25% per annum

**(d) Stocks**

Stocks, which represent goods bought for resale, are stated at the lower of cost and net realisable value.

**(e) Deferred Taxation**

Deferred taxation is provided using the liability method on all timing differences to the extent that a liability is expected to crystallise in the future.

**CANONBURY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30TH SEPTEMBER 1997****1. ACCOUNTING POLICIES****(f) Investment Properties**

Investment properties are revalued externally every five years; (annually by the Directors) and in the opinion of the directors the carrying value of these properties is not materially different from the previous year. The aggregate surplus or deficit is transferred to the revaluation reserve and no provision is made for amortisation of leasehold properties held on lease having more than 20 years unexpired. This departure from the requirements of the Companies Act 1985, which requires all properties to be depreciated, is, in the opinion of the directors, necessary for the accounts to show a true and fair view in accordance with applicable accounting standards.

The depreciation or amortisation (which would, had the provisions of the Act been followed, have reduced profit for the year) is only one of the factors reflected in the annual valuation and the amount attributable to this factor cannot reasonably be separately identified or quantified.

**(g) Cashflow Statement**

The company qualifies as a small company under the Companies Act, 1985. The directors have elected to take advantage of the exemption available under FRS1 not to prepare a cashflow statement.

**(h) Pensions**

The company operates a defined contribution scheme. The cost of contributions made by the company to the scheme are charged to the profit and loss account as incurred.

**2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	<u>1997</u> £	<u>1996</u> £
Profit on ordinary activities before taxation is stated after Crediting:-		
Profit on Disposal of Fixed Assets	-	4,960
	<u>          </u>	<u>          </u>
After Charging:		
Depreciation (Note 5)	25,063	24,432
Loss on Disposal of Fixed Assets	-	9
Auditors' Remuneration	2,800	2,800
Directors' Remuneration	60,000	60,000
	<u>          </u>	<u>          </u>

**CANONBURY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30TH SEPTEMBER 1997**

		<u>1997</u> £	<u>1996</u> £		
3.	<b><u>INTEREST RECEIVABLE AND SIMILAR INCOME</u></b>				
	Income from listed investments	29	17		
	Interest Receivable	3,097	-		
		<u>3,126</u>	<u>17</u>		
4.	<b><u>TAX ON PROFIT ON ORDINARY ACTIVITIES</u></b>				
	U.K. Corporation tax based on the profit for the year at the rate of 31%/33% (1996-24%/25%) (reduced by marginal relief)	52,422	24,672		
	Tax on franked investment income	6	3		
	Provided/Released from deferred taxation Provision (Note 11)	( 766)	1,491		
		<u>51,662</u>	<u>26,166</u>		
5.	<b><u>TANGIBLE FIXED ASSETS</u></b>				
	<u>Cost or Valuation</u>	<u>Land and Buildings</u> £	<u>Motor Vehicles</u> £	<u>Fixtures, fittings, and Equipment</u> £	<u>Total</u> £
	At 1st October 1996	2,158,914	17,100	97,571	2,273,585
	Additions at cost	8,058	-	5,785	13,843
	At 30th September 1997	<u>2,166,972</u>	<u>17,100</u>	<u>103,356</u>	<u>2,287,428</u>
	<u>Accumulated Depreciation</u>				
	At 1st October 1996	-	9,971	32,375	42,346
	Provision for the year	-	1,783	23,280	25,063
	At 30th September 1997	<u>-</u>	<u>11,754</u>	<u>55,655</u>	<u>67,409</u>
	<u>Net Book Value</u>				
	At 30th September 1997	<u>2,166,972</u>	<u>5,346</u>	<u>47,701</u>	<u>2,220,019</u>
	At 30th September 1996	<u>2,158,914</u>	<u>7,129</u>	<u>65,196</u>	<u>2,231,239</u>

The properties were valued at open market value by Aston Rose, Commercial Property Surveyors at 30th September 1996. The historical cost of these properties is £473,739.

No depreciation is provided on land and buildings since these are investment properties.

**CANONBURY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30TH SEPTEMBER 1997**

	<u>1997</u> £	<u>1996</u> £
<b>6. <u>INVESTMENTS</u></b>		
Cost - listed investments	840	840
- shares in group undertaking	1	1
	<u>841</u>	<u>841</u>

The group's only subsidiary undertaking is the 100% owned Canonbury Wine Property Company Limited, a property investment company registered in England. The listed investments are shown at cost as this is not materially different from their market value.

<b>7. <u>DEBTORS</u></b>		
Prepayments and accrued income	355	906
Deferred taxation (Note 11)	3,218	2,452
Other Debtors	47,357	75,660
Amounts due from group undertakings	38,046	116,724
	<u>88,976</u>	<u>195,742</u>

<b>8. <u>CREDITORS (amounts falling due within one year)</u></b>		
Trade Creditors	20,172	11,896
Bank Overdraft	6,481	309,026
Other Creditors	38,904	37,582
Corporation Tax	51,803	24,672
Other Taxation and Social Security Costs	15,167	13,641
Accruals and Deferred Income	767	786
Directors' Loan Accounts	1,974	1,974
	<u>135,268</u>	<u>399,577</u>

<b>9. <u>CALLED UP SHARE CAPITAL</u></b>		
Authorised, issued, allotted and fully paid ordinary shares of £1 each	<u>20,618</u>	<u>20,618</u>

<b>10. <u>OTHER RESERVES</u></b>		
Other reserves		
- Property revaluation reserve	1,405,348	1,405,348
- Goodwill written off	(86,979)	(86,979)
	<u>1,318,369</u>	<u>1,318,369</u>

**CANONBURY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30TH SEPTEMBER 1997**

	<u>1997</u> £	<u>1996</u> £
<b>11. <u>DEFERRED TAXATION</u></b>		
Asset at beginning of year	(2,452)	(3,943)
Finance leases -		
Timing differences	(1,584)	(1,635)
Other timing differences	(1,634)	( 817)
Asset at 30 September 1997	(3,218)	(2,452)
Provided/Released to profit and loss account (Note 4)	( 766)	1,491

**12. PENSION COMMITMENTS**

The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions paid by the company to the fund and amounted to £nil (1996 - £nil).