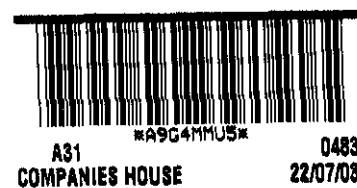


CANONBURY LIMITED

Report and Accounts

30 September 2002

COMPANY NUMBER 2212844



CANONBURY LIMITED
Report and accounts
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CANONBURY LIMITED
Company Information

Directors

T.J.Hedderson
M.Hedderson

Secretary

T.J.Hedderson

Auditors

R Rasiah Limited
Chartered Certified Accountants,
336 Hackney Road
London E2 7AX.

Registered office

The Pond House
Bugbys Farm
Great Munden
Hertfordshire
SG11 1JS.

CANONBURY LIMITED

Directors' Report

The directors present their report and accounts for the year ended 30 September 2002.

Principal activities

The company's principal activities during the year was property letting.

Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	2002	2001
T.J.Hedderson	5,824	5,824
M.Hedderson	-	-

Directors' responsibilities

Company law requires the directors to prepare accounts 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 for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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 accounts 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.

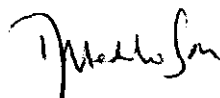
Auditors

A resolution to reappoint R Rasiah Limited as auditors will be put to the members at the Annual General Meeting.

Small company special provisions

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

This report was approved by the board on 21 July 2003.



T.J.Hedderson
Secretary

CANONBURY LIMITED
Auditors' Report

**Report of the auditors
to the shareholders of CANONBURY LIMITED**

We have audited the accounts on pages 4 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 September 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



R Rasiah Limited
Chartered Certified Accountants and Registered Auditors

336 Hackney Road
London E2 7AX.

21 July 2003

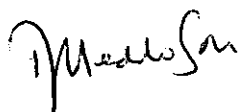
CANONBURY LIMITED
Profit and Loss Account
for the year ended 30 September 2002

	Notes	2002 £	2001 £
Turnover	1(b)	627,145	670,893
Administrative expenses		(311,353)	(331,496)
Operating profit		<u>315,792</u>	<u>339,397</u>
Commission receivable		5,125	6,346
Interest receivable		6,139	29,078
Interest payable		(35,836)	-
Profit on ordinary activities before taxation	2	<u>291,220</u>	<u>374,821</u>
Tax on profit on ordinary activities	3	(64,411)	(82,602)
Profit for the financial year		<u>226,809</u>	<u>292,219</u>
Retained profit for the financial year	13	<u>226,809</u>	<u>292,219</u>

CANONBURY LIMITED
Balance Sheet
as at 30 September 2002

	Notes	2002 £	2001 £
Fixed assets			
Tangible assets	4	9,778,666	8,436,649
Current assets			
Debtors	5	50,041	30,076
Cash at bank and in hand		71,515	333,360
		<u>121,556</u>	<u>363,436</u>
Creditors: amounts falling due within one year	6	(442,023)	(213,685)
Net current liabilities/assets		<u>(320,467)</u>	<u>149,751</u>
Total assets less current liabilities		<u>9,458,199</u>	<u>8,586,400</u>
Creditors: amounts falling due after more than one year	7	(644,990)	-
Net assets		<u>8,813,209</u>	<u>8,586,400</u>
Capital and reserves			
Called up share capital	10	20,000	20,000
Capital redemption reserve	11	618	618
Other reserves	12	6,415,691	6,415,691
Profit and loss account	13	2,376,900	2,150,091
Shareholders' funds		<u>8,813,209</u>	<u>8,586,400</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities.



T.J. Hedderson
 Director

Approved by the board on 21 July 2003.

CANONBURY LIMITED
Notes to the Accounts
for the year ended 30 September 2002

1 Accounting policies

a) Accounting principles

These accounts have been prepared in accordance with the Financial Reporting Standards relating to Smaller Entities. 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 income from property lettings.

c) Depreciation

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

Plant and machinery	25% per annum
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d) Investment properties

Investment properties are revalued externally every 5 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. No provision is made for amortisation of leasehold properties held on leases having more than 20 years unexpired. This departure from the requirements of the companies Act 1985 is in the opinion of the directors necessary for the accounts to show a true and fair view.

The depreciation or amortisation (which would had the provision 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.

e) Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes, except to the extent that a liability to taxation is unlikely to crystallise.

CANONBURY LIMITED
Notes to the Accounts
for the year ended 30 September 2002

2 Profit on Ordinary Activities before taxation	2002	2001
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	4,813	823
Directors' remuneration	82,000	76,030
Auditors' remuneration	3,050	3,050

3 Taxation	2002	2001
	£	£
UK corporation tax	64,411	77,297
Overprovision for prior years	-	(395)
Deferred tax (note 7)	-	5,700
	<u>64,411</u>	<u>82,602</u>

4 Tangible fixed assets

	Land and buildings	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 October 2001	8,435,000	40,507	-	8,475,507
Additions	1,330,873	10,490	5,467	1,346,830
At 30 September 2002	<u>9,765,873</u>	<u>50,997</u>	<u>5,467</u>	<u>9,822,337</u>
Depreciation				
At 1 October 2001	-	38,858	-	38,858
Charge for the year	-	3,446	1,367	4,813
At 30 September 2002	<u>-</u>	<u>42,304</u>	<u>1,367</u>	<u>43,671</u>
Net book value				
At 30 September 2002	<u>9,765,873</u>	<u>8,693</u>	<u>4,100</u>	<u>9,778,666</u>
At 30 September 2001	<u>8,435,000</u>	<u>1,649</u>	<u>-</u>	<u>8,436,649</u>

Freehold land and buildings:	2002	2001
	£	£
Historical cost	<u>3,130,238</u>	<u>3,130,238</u>
Cumulative depreciation based on historical cost	<u>-</u>	<u>-</u>

The properties were valued at open market value by Edwin Hall, Chartered Surveyors at 30th. September 2002.

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

CANONBURY LIMITED
Notes to the Accounts
for the year ended 30 September 2002

5 Debtors	2002	2001
	£	£
Prepayments and accrued income	-	966
Other debtors	50,041	29,110
	<u>50,041</u>	<u>30,076</u>

6 Creditors: amounts falling due within one year	2002	2001
	£	£
Bank loans and overdrafts	271,172	-
Accruals and deferred income	2,917	271
Corporation tax	64,411	77,297
Other taxes and social security costs	-	2,899
Other creditors	103,523	133,218
	<u>442,023</u>	<u>213,685</u>

7 Creditors: amounts falling due after one year	2002	2001
	£	£
Bank loans	<u>644,990</u>	<u>-</u>

8 Bank Loans	2002	2001
	£	£
Included in the above are amounts payable in installments :-		
Amounts falling due for payment within five years	229,344	-
Amounts falling due for payment after more than five years	<u>415,646</u>	<u>-</u>
	<u>644,990</u>	<u>-</u>

The bank loan and overdraft are secured by a charge over the company's freehold properties.

9 Provisions for liabilities and charges	2002	2001
Deferred taxation:	£	£
At 1 October 2001	-	5,700
At 30 September 2002	<u>-</u>	<u>-</u>
Released to profit and loss account (note 3)	<u>-</u>	<u>5,700</u>

CANONBURY LIMITED
Notes to the Accounts
for the year ended 30 September 2002

10 Share capital			2002	2001
			£	£
Authorised:				
Ordinary shares of £1 each			<u>20,618</u>	<u>20,618</u>
	2002	2001	2002	2001
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	20,000	20,000	<u>20,000</u>	<u>20,000</u>
11 Capital redemption reserve			2002	2001
			£	£
At 1 October 2001			618	618
At 30 September 2002			<u>618</u>	<u>618</u>
12 Other reserves			2002	2001
			£	£
Property revaluation reserve				
At 1 October 2001			5,739,633	1,405,348
Revaluation			-	4,334,285
Goodwill written off			<u>(86,979)</u>	<u>(86,979)</u>
At 30 September 2002			<u>5,652,654</u>	<u>5,652,654</u>
At 1 October 2001			763,037	763,037
At 30 September 2002			<u>763,037</u>	<u>763,037</u>
			<u>6,415,691</u>	<u>6,415,691</u>

CANONBURY LIMITED
Notes to the Accounts
for the year ended 30 September 2002

13 Profit and loss account	2002	2001
	£	£
At 1 October 2001	2,150,091	1,857,872
Retained profit	226,809	292,219
At 30 September 2002	<u>2,376,900</u>	<u>2,150,091</u>

14 Related parties

There were no material related party transactions as defined by FRS 8 during the year.