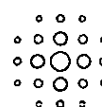
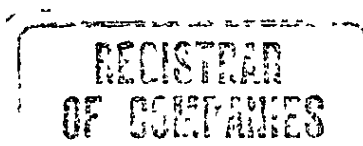


**THE FREEDOM BREWING COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2006**



# **THE FREEDOM BREWING COMPANY LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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**The board of directors**

Mr D M Watts  
Mr A H Joshi

**Company secretary**

Mr D M Watts

**Registered office**

Unit 6, Carlson Court  
116 Putney Bridge Road  
London  
SW15 2NQ

**Auditor**

MacIntyre Hudson LLP  
Chartered Accountants  
& Registered Auditors  
New Bridge Street House  
30-34 New Bridge Street  
London  
EC4V 6BJ

# **THE FREEDOM BREWING COMPANY LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31 DECEMBER 2006**

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The directors present their report and the financial statements of the company for the year ended 31 December 2006

#### **PRINCIPAL ACTIVITIES**

The company ceased trading activities following the transfer of the Rocket Riverside bar to its parent company, and the sale of its beer division during 2005

It is anticipated the company will be struck off the register during 2008

#### **DIRECTORS**

The directors who served the company during the year were as follows

Mr D M Watts

Mr A H Joshi

#### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 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 directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information

#### **AUDITOR**

A resolution to re-appoint MacIntyre Hudson LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

# THE FREEDOM BREWING COMPANY LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2006

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### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Registered office  
Unit 6, Carlson Court  
116 Putney Bridge Road  
London  
SW15 2NQ

Signed by order of the directors



Mr D M Watts  
Company Secretary

Approved by the directors on 11<sup>th</sup> February 2008

# **THE FREEDOM BREWING COMPANY LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE FREEDOM BREWING COMPANY LIMITED**

**YEAR ENDED 31 DECEMBER 2006**

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We have audited the financial statements of The Freedom Brewing Company Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 directors' remuneration and other transactions is not disclosed.

We read the Directors' Report 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 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.

# THE FREEDOM BREWING COMPANY LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE FREEDOM BREWING COMPANY LIMITED *(continued)*

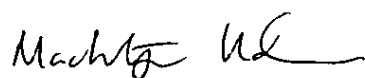
YEAR ENDED 31 DECEMBER 2006

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### OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



MACINTYRE HUDSON LLP  
Chartered Accountants  
& Registered Auditors

New Bridge Street House  
30-34 New Bridge Street  
London  
EC4V 6BJ

12 February 2008

# THE FREEDOM BREWING COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2006

	Note	2006 £	2005 £
<b>TURNOVER</b>		—	37,652
Cost of sales		—	(6,746)
<b>GROSS PROFIT</b>		—	44,398
Administrative expenses		(174,669)	56,662
<b>OPERATING PROFIT/(LOSS)</b>	2	174,669	(12,264)
Profit on disposal of fixed assets		—	174,136
Intercompany loan written off		157,693	—
		332,362	161,872
Interest receivable and similar income		105	1,886
Amounts written off investments		(1)	—
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		332,466	163,758
Tax on profit on ordinary activities		—	—
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		332,466	163,758
Balance brought forward		(4,193,549)	(4,357,307)
Balance carried forward		(3,861,083)	(4,193,549)

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

# THE FREEDOM BREWING COMPANY LIMITED

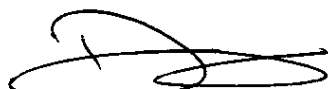
## BALANCE SHEET

31 DECEMBER 2006

	Note	2006 £	2005 £
<b>FIXED ASSETS</b>			
Tangible assets	4	—	3,818
Investments	5	—	1
		—	<u>3,819</u>
<b>CURRENT ASSETS</b>			
Cash at bank		—	8,832
<b>CREDITORS: Amounts falling due within one year</b>	6	—	<u>345,117</u>
<b>NET CURRENT LIABILITIES</b>		—	<u>(336,285)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		—	<u>(332,466)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	7	83,558	83,558
Share premium account	8	3,777,525	3,777,525
Profit and loss account		<u>(3,861,083)</u>	<u>(4,193,549)</u>
<b>DEFICIT</b>		—	<u>(332,466)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the directors and authorised for issue on 1<sup>st</sup> Feb 2007, and are signed on their behalf by



Mr D M Watts  
Director

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



# **THE FREEDOM BREWING COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2006**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

#### **Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

#### **Turnover**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts. All turnover during the year was derived in the UK.

#### **Tangible fixed assets and depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	over the period of the lease
Fixtures & Fittings	-	10% - 25% straight line

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Deferred taxation**

Full provision is made for material deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the accounts and their recognition in the company's corporation tax computations that have not reversed at the balance sheet date. Deferred tax assets are only recognised to the extent that directors consider reversal to be likely.

#### **Going concern**

The company ceased trading during 2005. The accounts have not been prepared on a going concern basis as it is anticipated that the company will be struck off the register during 2008.

#### **Investments**

Investments are included at cost less amounts written off. Profit or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

# THE FREEDOM BREWING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging

	2006 £	2005 £
Directors' emoluments	—	—
Depreciation of owned fixed assets	<u>3,818</u>	<u>10,086</u>

### 3. DIRECTORS' EMOLUMENTS

The directors are remunerated within the parent company, Spring & Greene Limited. Their emoluments within Spring & Greene Limited for the year ending 31 December 2006 were £114,000 (2005 £114,000).

### 4. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £
<b>COST</b>	
At 1 January 2006	40,344
Disposals	(40,344)
<b>At 31 December 2006</b>	<u>—</u>
<b>DEPRECIATION</b>	
At 1 January 2006	36,526
Charge for the year	3,818
On disposals	(40,344)
<b>At 31 December 2006</b>	<u>—</u>
<b>NET BOOK VALUE</b>	
<b>At 31 December 2006</b>	<u>—</u>
At 31 December 2005	<u>3,818</u>

# THE FREEDOM BREWING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 5. INVESTMENTS

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2006 and 31 December 2006	<u>1</u>
<b>AMOUNTS WRITTEN OFF</b>	
Written off in year	<u>1</u>
At 31 December 2006	<u>1</u>
<b>NET BOOK VALUE</b>	
At 31 December 2006	-
At 31 December 2005	<u>1</u>

The investment relating to the wholly owned subsidiary, The Soho Brewing Company Limited, has been written off in full as the company is in the process of being struck off the register

### 6. CREDITORS: Amounts falling due within one year

	2006 £	2005 £
Amounts owed to group undertakings	-	344,117
Other creditors	-	1,000
	<u>-</u>	<u>345,117</u>

In September 2002, all bank borrowings were transferred to Spring & Greene Limited (the ultimate parent company). The bank loans and overdrafts within Spring & Greene Limited are secured by a fixed and floating charge over all the group's asset and subsidiaries including those of The Freedom Brewing Company Limited

The intercompany loan due to Spring & Greene Limited of £157,693 (2005 - £344,117) at 31 December 2006 was written off in full

### 7. SHARE CAPITAL

#### Authorised share capital:

	2006 £	2005 £
83,558 Ordinary shares of £1 each	<u>83,558</u>	<u>83,558</u>

#### Allotted, called up and fully paid:

	2006 No	£	2005 No	£
Ordinary shares of £1 each	<u>83,558</u>	<u>83,558</u>	<u>83,558</u>	<u>83,558</u>

# **THE FREEDOM BREWING COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2006**

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### **8. SHARE PREMIUM ACCOUNT**

There was no movement on the share premium account during the financial year

### **9. ULTIMATE PARENT COMPANY**

The ultimate parent company and controlling company is Spring & Greene Limited, a company registered in England and Wales