

REGISTRAR'S

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CANONBURY VILLAS LIMITED

4478864

Company Limited By Guarantee

Year ended 31st July 2005



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CANONBURY VILLAS LIMITED

Annual report and financial statements for the year ended 31st July 2005

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Directors

Sarah Jane Burton
Michael Seifert
Deborah Jann Tripley
Steven Jay Warshal

Secretary and registered office

Michael Seifert, Canonbury Villas Ltd, Emerald House, East Street, Surrey KT17 1HS

Company limited by guarantee registration number

4478844

Auditors

BDO Stoy Hayward LLP, 8 Baker Street, London W1U 3LL

Report of the directors for the year ended 31st July 2005

The directors present their report together with the audited financial statements for the year ended 31st July 2005.

Results and dividends

The income and expenditure account is set out on page 4 and shows the result for the year.

The company is limited by guarantee and cannot pay dividends.

During the year the company continued to receive rental income from its investment property.

Principal activity

The principal activity of the company is to own property for investment purposes.

Fixed assets

Movements on fixed assets are shown in note 5 to the accounts.

Directors

The directors of the company during the period were:

Michael Seifert
Sarah Jane Burton
Deborah Jann Tripley
Steven Jay Warshal

None of the directors held any beneficial interest in the company.

Directors' responsibilities

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 surplus or deficit 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; and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Report of the directors for the year ended 31st July 2005 (continued)

The directors are responsible for keeping 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.

Auditors

A resolution to reappoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

By order of the board



Michael Seifert

Secretary

7th September 2006

Report of the independent auditors for the year ended 31 July 2005

To the shareholders of Canonbury Villas Limited

We have audited the financial statements of Canonbury Villas Limited for the year ended 31 July 2005 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

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 have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with those 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 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

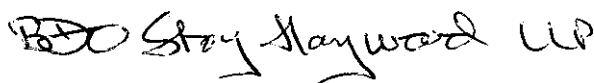
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2005 and of its surplus for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD LLP

Chartered Accountants
and Registered Auditors
London

7 September 2006

Income and expenditure account for the year ended 31st July 2005

	Note	2005	2004
		£	£
Rental Income		400,000	400,000
Administrative costs		12,494	1,180
Operating surplus		387,506	398,820
Interest Payable	3	225,745	204,578
Surplus on ordinary activities before taxation	2	161,761	194,242
Taxation	4	30,795	37,000
Surplus for the year		130,966	157,242
Surplus brought forward		202,502	45,260
Retained surplus carried forward	8	333,468	202,502

All amounts relate to continuing activities.

All recognised gains and losses are included in the income and expenditure account.

The notes on pages 6 and 7 form part of these financial statements

Balance sheet at 31st July 2005

	Note	2005	2004
		£	£
Fixed assets			
Tangible assets	5	3,900,000	3,900,000
Current Assets			
Cash at bank and in hand		53,275	67,114
		<u>53,275</u>	<u>67,114</u>
Creditors: amounts falling due within one year	6	304,807	254,612
Net current liabilities		(251,532)	(187,498)
Creditors: amounts falling due after more than one year	7	(3,315,000)	(3,510,000)
		<u>333,468</u>	<u>202,502</u>
Reserves			
Income and expenditure account	8	333,468	202,502
		<u>333,468</u>	<u>202,502</u>

These financial statements were approved by the Board on 7th September 2006



S. BURTON

Director

The notes on pages 6 and 7 form part of these financial statements.

Notes forming part of the financial statements for the year ended 31st July 2005

1. Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The following principal accounting policies have been applied :

Investment property

In accordance with SSAP 19 investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 1985 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the income and expenditure account.

Rental Income

Rental income represents amounts due during the year.

Interest payable

Interest payable represents amounts due during the year.

	2005 £	2004 £
2. Surplus on ordinary activities before taxation		
This is arrived at after charging :		
Auditors' services - audit	1,175	1,175
	<u>1,175</u>	<u>1,175</u>
The directors of the company receive no emoluments. There were no employees of the company during the year.		
3. Interest payable		
Bank loan	224,824	204,578
Other interest payable	921	-
	<u>225,745</u>	<u>204,578</u>
4. Taxation on profit from ordinary activities		
UK corporation tax for the year	30,795	37,000
The tax assessed for the year is different from the standard rate of corporation tax in the UK. The differences are explained below:		
Profit on ordinary activities before tax	161,761	194,242
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2003: 19%)	30,735	36,906
Disallowable expenditure	377	-
Over provision in respect of prior years	(404)	-
Rounding	87	94
Current tax charge for the year	<u>30,795</u>	<u>37,000</u>

Notes forming part of the financial statements for the year ended 31st July 2005

	2005	2004
	£	£
5. Fixed Assets		
	Freehold land and buildings	Freehold land and buildings
Cost and valuation at beginning of year	3,900,000	3,900,000
Additions	-	-
Cost and valuation at end of year	<u>3,900,000</u>	<u>3,900,000</u>

The directors have considered the valuation of the property at 31st July 2005 and have formed the opinion that no significant change has occurred during the year.

6. Creditors: amounts falling due within one year		
Bank loan (note 7)	195,000	195,000
Taxation	31,200	48,000
Accruals and deferred income	78,607	11,612
Creditors: amounts falling due within one year	<u>304,807</u>	<u>254,612</u>
7. Creditors: amounts falling due after one year		
Bank loan	<u>3,315,000</u>	<u>3,510,000</u>

On 16th April 2003 the company borrowed £3,900,000 repayable over 20 years, with a mortgage secured against its freehold property and a fixed and floating charge against all and any of its assets. Interest is payable at 1.5% above Base Rate. Capital repayment is due in 40 equal instalments, payable every 6 months.

8. Income and expenditure account		
Surplus at beginning of year	202,502	45,260
Surplus for the period	130,966	157,242
Surplus at end of year	<u>333,468</u>	<u>202,502</u>

- 9. Company limited by guarantee**
The company is limited by guarantee and hence has no share capital.
There were five guarantors of £1 each as at 31st July 2005.

- 10. Cash flow statement**
The Directors have utilised the provisions of Financial Reporting Standard 1 "Cash Flow Statements" not to prepare a cash flow statement as the company is a small company.