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CANONBURY VILLAS LIMITED

Company Limited By Guarantee

Year ended 31st July 2006

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# CANONBURY VILLAS LIMITED

Annual report and financial statements for the year ended 31st July 2006

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## Directors

Sarah Jane Burton  
Michael Seifert  
Steven Jay Warshal  
Peter Melchett  
Julie Hill

## Secretary and registered office

Michael Seifert, Canonbury Villas Ltd, 15 Wolsey Mews, London NW5 2DX

## 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 2006

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The directors present their report together with the audited financial statements for the year ended 31st July 2006

**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	( Resigned 30th October 2006 )
Steven Jay Warshal	-
Peter Melchett	( Appointed 30th October 2006 )
Julie Hill	( Appointed 30th October 2006 )

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 2006 (continued)

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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.

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of this information. The directors are not aware of any relevant audit information of which the auditors are unaware.

By order of the board



Michael Seifert

Secretary  
6th March 2007

Report of the auditors for the year ended 31st July 2006

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANONBURY VILLAS LIMITED

We have audited the financial statements of Canonbury Villas Ltd for the year ended Year ended 31st July 2006 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*

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the Directors' Report is not consistent with the 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 31st July 2006 and of its surplus for the year then ended, and

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.

*BDO Stoy Hayward LLP*

**BDO STOY HAYWARD LLP**

Chartered Accountants and Registered Auditors

London

Date

*6 March 2007*

## Income and expenditure account for the year ended 31st July 2006

	Note	2006	2005
		£	£
Rental Income		400,000	400,000
Administrative costs		7,073	12,494
Operating surplus		392,927	387,506
Interest Payable	3	204,460	225,745
Surplus on ordinary activities before taxation	2	188,467	161,761
Taxation	4	35,638	30,795
Surplus for the year		152,829	130,966
Surplus brought forward		333,468	202,502
Retained surplus carried forward	8	486,297	333,468

All amounts relate to continuing activities

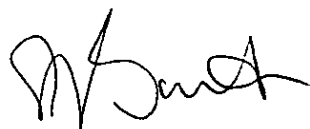
All recognised gains and losses are included in the income and expenditure account

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

## Balance sheet at 31st July 2006

	Note	2006	2005
		£	£
<b>Fixed assets</b>			
Tangible assets	5	3,900,000	3,900,000
<b>Current Assets</b>			
Cash at bank and in hand		86,359	53,275
		<u>86,359</u>	<u>53,275</u>
Creditors amounts falling due within one year	6	<u>380,062</u>	<u>304,807</u>
<b>Net current liabilities</b>		(293,703)	(251,532)
Creditors amounts falling due after more than one year	7	<u>(3,120,000)</u>	<u>(3,315,000)</u>
		<u>486,297</u>	<u>333,468</u>
<b>Reserves</b>			
Income and expenditure account	8	<u>486,297</u>	<u>333,468</u>
		<u>486,297</u>	<u>333,468</u>

These financial statements were approved by the Board and authorised for issue on 6th March 2007



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 2006

# 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 recorded at 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.

	2006	2005
	£	£
<b>2 Surplus on ordinary activities before taxation</b>		
This is arrived at after charging		
Auditors' services - audit	1,175	1,175
The directors of the company receive no emoluments		
There were no employees of the company during the year		
<b>3 Interest payable</b>		
Bank loan	204,460	224,824
Other interest payable	-	921
	204,460	225,745
<b>4 Taxation on profit from ordinary activities</b>		
UK corporation tax for the year	35,638	30,795
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	188,467	161,761
Profit on ordinary activities at the standard rate		
of corporation tax in the UK of 19% (2005 19%)	35,809	30,735
Disallowable expenditure	-	377
Over provision in respect of prior years	(262)	(404)
Other	91	87
	35,638	30,795
Current tax charge for the year		



Notes forming part of the financial statements for the year ended 31st July 2006

	2006	2005
	£	£
<b>5 Fixed Assets</b>		
	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 2006 and have formed the opinion that no significant change has occurred during the year

<b>6 Creditors: amounts falling due within one year</b>		
Bank loan (note 7)	195,000	195,000
Taxation	66,838	31,200
Accruals and deferred income	118,224	78,607
Creditors: amounts falling due within one year	<u>380,062</u>	<u>304,807</u>

<b>7 Creditors: amounts falling due after one year</b>		
Bank loan	<u>3,120,000</u>	<u>3,315,000</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.

<b>8 Income and expenditure account</b>		
Surplus at beginning of year	333,468	202,502
Surplus for the period	152,829	130,966
Surplus at end of year	<u>486,297</u>	<u>333,468</u>

<b>9 Company limited by guarantee</b>	
The company is limited by guarantee and hence has no share capital	
There were five guarantors of £1 each as at 31st July 2006	

<b>10 Cash flow statement</b>	
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	