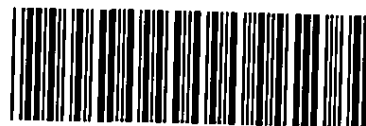


Company Registration No. 4888570 (England and Wales)

THE BREWERY LIMITED
DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

WEDNESDAY



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THE BREWERY LIMITED

COMPANY INFORMATION

Directors	M Shickle P Stead
Secretary	R Pocknell
Company number	4888570
Registered office	Harwood House 43 Harwood Road London SW6 4QP
Accountants	Warrener Stewart Harwood House 43 Harwood Road London SW6 4QP
Business address	18 Petersham Road Richmond Surrey TW10 6UW

THE BREWERY LIMITED

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THE BREWERY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

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

Principal activities

The principal activity of the company is that of design and marketing consultants

Directors

The following directors have held office since 1 January 2006

P Phillips	(Resigned 31 August 2007)
M Rye	(Resigned 31 August 2007)
M Shickle	
P Stead	

Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary Shares of 1p each 31 December 2006	Ordinary Shares of 1p each 1 January 2006
P Phillips	10,000	10,000
M Rye	5,000	5,000
M Shickle	12,500	12,500
P Stead	60,000	60,000

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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,
- 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 which 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.

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

On behalf of the board


P Stead
Director

09/11/2007
Date

THE BREWERY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Turnover		1,836,073	1,574,063
Cost of sales		(449,949)	(665,819)
Gross profit		1,386,124	908,244
Administrative expenses		(1,426,169)	(1,134,841)
Other operating income		99,003	79,457
Operating profit/(loss)	2	58,958	(147,140)
Other interest receivable and similar income		198	696
Interest payable and similar charges		(10,064)	(7,706)
Profit/(loss) on ordinary activities before taxation		49,092	(154,150)
Tax on profit/(loss) on ordinary activities	4	-	-
Profit/(loss) on ordinary activities after taxation	10	49,092	(154,150)

THE BREWERY LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	5		36,839		65,656
Current assets					
Stocks		10,273		17,924	
Debtors	6	681,981		600,227	
Cash at bank and in hand		50		80	
		<u>692,304</u>		<u>618,231</u>	
Creditors amounts falling due within one year	7	<u>(443,079)</u>		<u>(681,483)</u>	
Net current assets/(liabilities)			<u>249,225</u>		<u>(63,252)</u>
Total assets less current liabilities			<u>286,064</u>		<u>2,404</u>
Creditors amounts falling due after more than one year	8		<u>(655,632)</u>		<u>(421,064)</u>
			<u>(369,568)</u>		<u>(418,660)</u>
Capital and reserves					
Called up share capital	9		1,000		1,000
Profit and loss account	10		<u>(370,568)</u>		<u>(419,660)</u>
Shareholders' funds			<u>(369,568)</u>		<u>(418,660)</u>

THE BREWERY LIMITED

BALANCE SHEET (CONTINUED) AS AT 31 DECEMBER 2006

In preparing these financial statements

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985,
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company

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

The financial statements were approved by the Board on 09/11/2007



P Stead
Director

THE BREWERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies

1.1 Accounting convention

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

During the year ended 31 December 2006, the company reported a profit of £49,092. The company balance sheet at 31 December 2006 shows a deficit of £369,568. Of this, £561,406 is owed to a related party, who will not request repayment until it is considered prudent to do so. Further, the company is increasing revenues month on month and the directors anticipate further profitability being achieved during the year to 31 December 2007.

In the light of this and after taking into account all information that could reasonably be expected to be available, the directors are confident that the company will continue in operational existence for the foreseeable future and that the going concern basis is therefore appropriate for the preparation of the company's financial statements.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Studio and computer equipment	Straight line over 3 years
Fixtures, fittings & equipment	Straight line over 5 years

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Deferred taxation

Deferred tax is provided using the full provision method and is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date. It is the company's policy not to discount deferred tax to reflect the time value of money.

1.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Operating profit/(loss)	2006 £	2005 £
Operating profit/(loss) is stated after charging		
Depreciation of tangible assets	32,971	26,980
Directors' emoluments	157,848	96,592

THE BREWERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

3	Investment income	2006 £	2005 £
	Bank interest	198	696

4 Taxation

No charge to corporation tax arises due to the utilisation of prior year trading losses. The company has tax losses of approximately £300,000 to carry forward which are available for offset against future trading profits, subject to agreement by H M Revenue & Customs.

THE BREWERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

5 Tangible fixed assets

	Studio & computer equipment £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 January 2006	87,307	20,641	107,948
Additions	3,964	190	4,154
	<hr/>	<hr/>	<hr/>
At 31 December 2006	91,271	20,831	112,102
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2006	33,814	8,478	42,292
Charge for the year	28,821	4,150	32,971
	<hr/>	<hr/>	<hr/>
At 31 December 2006	62,635	12,628	75,263
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2006	28,636	8,203	36,839
	<hr/>	<hr/>	<hr/>
At 31 December 2005	53,493	12,163	65,656
	<hr/>	<hr/>	<hr/>

Included above are assets held under finance leases or hire purchase contracts as follows

	Studio & computer equipment £
Net book values	
At 31 December 2006	15,610
	<hr/>
At 31 December 2005	32,318
	<hr/>
Depreciation charge for the year	
At 31 December 2006	16,709
	<hr/>
At 31 December 2005	13,889
	<hr/>

THE BREWERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

6 Debtors	2006 £	2005 £
Trade debtors	387,162	574,790
Other debtors	294,819	25,437
	<u>681,981</u>	<u>600,227</u>

7 Creditors amounts falling due within one year	2006 £	2005 £
Bank loans and overdrafts	142,593	113,469
Net obligations under finance leases	12,041	16,617
Trade creditors	170,675	287,053
Taxation and social security	66,921	44,849
Other creditors	50,849	219,495
	<u>443,079</u>	<u>681,483</u>

The bank overdraft is secured by way of a fixed and floating charge over the assets of the company

8 Creditors amounts falling due after more than one year	2006 £	2005 £
Net obligations under finance leases	2,162	14,272
Other creditors	653,470	406,792
	<u>655,632</u>	<u>421,064</u>

9 Share capital	2006 £	2005 £
Authorised		
117,600 Ordinary shares of 1p each	1,176	1,176
207,000 Ordinary non-voting shares of 0 1p each	207	207
	<u>1,383</u>	<u>1,383</u>
Allotted, called up and fully paid		
100,000 Ordinary shares of 1p each	1,000	1,000

THE BREWERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2006	(419,660)
Profit for the year	49,092
Balance at 31 December 2006	<u>(370,568)</u>

11 Financial commitments

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as follows

	2006 £	2005 £
Expiry date		
In over five years	<u>175,000</u>	<u>175,000</u>

THE BREWERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

12 Related party transactions

	2006	2005
Debtor balances	£	£
Paul Stead	205,678	-

The above balance was interest free and unsecured. It was repaid in full post year end. The maximum balance owed by P Stead during the year was £205,678.

Creditor balances (balances due after one year)

Marian Rye	-	75
Mark Shickle	-	25,469
Peter Phillips	-	2,764
Paul Stead	-	7,940
Paul Stead Property Limited	561,406	338,480

Transactions with related parties

Paul Stead - loan interest	5,281	4,590
Paul Stead Property Limited - rent	174,996	174,996

Interest accrues on balances due to Paul Stead and Paul Stead Property Limited, when balances are in excess of £275,000 at a rate of 2% above base rate.

All other loans are interest free and unsecured.

Nature of relationships and control

All of the above individuals are shareholders, with Paul Stead owning a controlling share of 69%.

Paul Stead Property Limited is a company in which Paul Stead is a shareholder and director.