Company Registration No 3935321 (England and Wales)

CANADIAN & BUTLER LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 23 MARCH 2011

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CANADIAN & BUTLER LIMITED

COMPANY INFORMATION

Director	J P Miles
Secretaries	S Clark E Tiptaft
Company number	3935321
Registered office	66 Chiltern Street London W1U 4JT
Auditors	RSM Tenon Audit Limited 66 Chiltern Street London W1U 4JT

CANADIAN & BUTLER LIMITED

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CANADIAN & BUTLER LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 23 MARCH 2011

The director presents his report and financial statements for the year ended 23 March 2011

Principal activities
The company is engaged in the investment in commercial properties and the development and trading thereof

Director
The following director has held office since 24 March 2010

J P Miles

Statement of director's responsibilities
The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the director must not approve the financial statements unless he is satisfied that they 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006 He is 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

Statement of disclosure to auditors
So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

On behalf of the board

J P Miles
Director

5 SEPTEMBER 2011

CANADIAN & BUTLER LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CANADIAN & BUTLER LIMITED

We have audited the financial statements of Canadian & Butler Limited for the year ended 23 March 2011 set out on pages 4 to 12 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 1, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 23 March 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or

Ian Hughes (Senior Statutory Auditor)
for and on behalf of RSM Tenon Audit Limited

8 SEPTEMBER 2011

Statutory Auditor

66 Chiltern Street
London
W1U 4JT

CANADIAN & BUTLER LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 23 MARCH 2011

	Notes	2011 £	2010 £
Turnover	2	322,885	356,313
Cost of sales		(5,875)	(3,250)
Gross profit		317,010	353,063
Administrative expenses		(18,918)	(14,570)
Operating profit	3	298,092	338,493
Impairment of investment property		(525,000)	-
(Loss)/profit on ordinary activities before interest		(226,908)	338,493
Other interest receivable and similar income	4	44	4,211
Interest payable and similar charges	5	(198,500)	(222,695)
(Loss)/profit on ordinary activities before taxation		(425,364)	120,009
Tax on (loss)/profit on ordinary activities	6	(18,041)	(20,922)
(Loss)/profit for the year	12	(443,405)	99,087

The profit and loss account has been prepared on the basis that all operations are continuing operations

CANADIAN & BUTLER LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 23 MARCH 2011

	Notes	2011 £	2010 £
(Loss)/profit for the financial year		(443,405)	99,087
Unrealised (deficit)/surplus on revaluation of properties		-	250,000
Total recognised gains and losses relating to the year		(443,405)	349,087

CANADIAN & BUTLER LIMITED

BALANCE SHEET

AS AT 23 MARCH 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	7		4,225,000		4,750,000
Current assets					
Debtors	8	160,755		181,516	
Cash at bank and in hand		53,326		71,392	
		214,081		252,908	
Creditors amounts falling due within one year	9	(4,747,551)		(4,867,973)	
Net current liabilities			(4,533,470)		(4,615,065)
Total assets less current liabilities			(308,470)		134,935
			(308,470)		134,935
Capital and reserves					
Called up share capital	11		1		1
Revaluation reserve	12		-		(153,701)
Profit and loss account	12		(308,471)		288,635
Shareholders' funds	13		(308,470)		134,935

Approved by the Board and authorised for issue on 5·9·11

J P Miles
Director

Company Registration No. 3935321

CANADIAN & BUTLER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 23 MARCH 2011

1 Accounting policies

1 1 Accounting convention

The financial statements are prepared under the historical cost convention

The accounts have been prepared on the going concern basis which assumes financial support from its parent company will be continued for at least 12 months from the date of approval of these financial statements

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking included in consolidated financial statements where a cash flow statement is produced

1 2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards

1.3 Turnover

Turnover represents rental and other property related income receivable net of VAT

1 4 Tangible fixed assets and depreciation

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account

Investment properties are included in the balance sheet at their open market value Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated In the opinion of the director compliance with the standard is necessary for the financial statements to give a true and fair view Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified

1.5 Leasing

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

1.6 Deferred taxation

Where material, deferred tax is provided in full, as required by FRS 19 - Deferred Tax, in respect of timing differences between the treatment of certain items for taxation and accounting purposes Deferred tax is not discounted

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3	**Operating profit**	**2011**	**2010**
		£	**£**
	Operating profit is stated after charging		
	Auditors' remuneration		
	Fees payable to the company's auditor for the audit of the company's annual accounts	1,750	1,750
	Fees payable to the associates of the company's auditors for non-audit services		
	Statutory services	430	430
		2,180	2,180

4	**Investment income**	**2011**	**2010**
		£	**£**
	Bank interest	44	65
	Other interest	-	4,146
		44	4,211

5	**Interest payable**	**2011**	**2010**
		£	**£**
	On amounts payable to group companies	198,500	222,695

6	Taxation	2011 £	2010 £
	Domestic current year tax		
	U K corporation tax	18,041	20,922
	Total current tax	18,041	20,922
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(425,364)	120,009
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21 00% (2010 - 21 00%)	(89,326)	25,202
	Effects of		
	Non deductible expenses	107,367	-
	Group losses utilised	-	(80)
	Lease premium adjustments	-	(4,200)
		107,367	(4,280)
	Current tax charge for the year	18,041	20,922

7 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 24 March 2010	4,750,000
Revaluation	(525,000)
At 23 March 2011	4,225,000
Net book value	
At 23 March 2011	4,225,000
At 23 March 2010	4,750,000

As at 31 March 2011, the company's investment property was valued on the basis of open market value by John Miles, a director of the company No depreciation is provided in respect of these properties

The comparable historical cost of the property was £4,903,701 (2010 £4,903,701)

The investment property is subject to a fixed charge securing certain liabilities of Canadian and Portland Estates Plc to a bank

If the company's investment property had been sold for its market value at the balance sheet date, no capital gains or losses would arise

8 Debtors

	2011 £	2010 £
Trade debtors	99,720	109,784
Prepayments and accrued income	39,035	49,732
Deferred tax asset (see note 10)	22,000	22,000
	160,755	181,516

9 Creditors: amounts falling due within one year	2011 £	2010 £
Trade creditors	13,142	10,703
Amounts owed to parent and fellow subsidiary undertakings	4,583,889	4,676,597
Corporation tax	18,041	20,922
Other taxes and social security costs	15,140	14,521
Accruals and deferred income	117,339	145,230
	4,747,551	4,867,973

The parent company's bank loans are secured by way of guarantees and by fixed charges over freehold and long leasehold properties held by group companies, including Canadian and Butler Limited, and bear interest at variable rates linked to LIBOR

Included in the amounts owed to parent is an interest charge of £198,500 (2010 £222,695)

10 Provisions for liabilities

The deferred tax asset (included in debtors, note 8) is made up as follows

	2011 £
Balance at 24 March 2010 & at 23 March 2011	(22,000)

	2011 £	2010 £
Other timing differences	(22,000)	(22,000)

The deferred tax asset arose on the transfer of the company's property from stock to fixed assets in 2007

11 Share capital	2011 £	2010 £
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1

12 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 24 March 2010	(153,701)	288,635
Loss for the year	-	(443,405)
Transfer from revaluation reserve to profit and loss account	153,701	(153,701)
Balance at 23 March 2011	-	(308,471)

13 Reconciliation of movements in shareholders' funds

	2011	2010
	£	£
(Loss)/Profit for the financial year	(443,405)	99,087
Other recognised gains and losses	-	250,000
Net (depletion in)/addition to shareholders' funds	(443,405)	349,087
Opening shareholders' funds	134,935	(214,152)
Closing shareholders' funds	(308,470)	134,935

14 Employees

Number of employees

There were no employees during the year apart from the director

15 Control

The ultimate parent company is Canadian & Portland Estates Plc, a company registered in England and Wales

16 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions