

MARKET ARMS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2006

FINANCIAL STATEMENTS

The Directors present their report and unaudited financial statements for the year ended 31 March 2006.

DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the directors are required to:

- * **Select suitable accounting policies and apply them consistently**
- * **Make judgements and estimates that are reasonable and prudent**
- * **State whether applicable 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company to enable them to ensure that the accounts 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.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was the operation of a public house.

RESULTS AND DIVIDENDS

The profit for the year after taxation is as shown on page 3. The directors do not recommend payment of a dividend.



MARKET ARMS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2006
(CONTINUED)

REVIEW OF THE BUSINESS

This is the company's third period of business and the directors are satisfied with the results.

FUTURE DEVELOPMENTS

There are no plans to develop the business into other areas other than the principal activity.

DIRECTORS

The Directors, who served throughout the year, had the following interests in the £1 ordinary shares of the company at the beginning and end of the financial year.

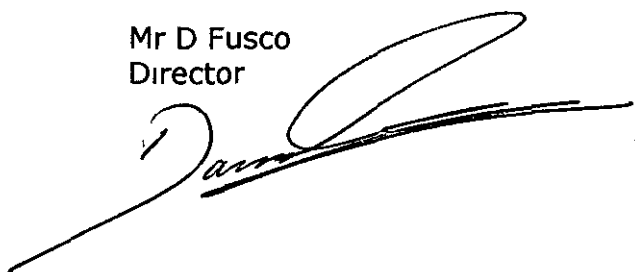
	£
Mr D. Fusco	26
Miss I. Simm	26
Mr P. Scott	24
Mrs J. Scott	24
	==

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

By order of the Board

Mr D Fusco
Director

15 December 2006



MARKET ARMS LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2006

	Note	<u>2006</u>	<u>2005</u>
Turnover	1	149,602	109,189
Cost of Sales		66,334	47,115
		-- --	---
Gross Profit		83,268	62,074
Distribution & Administrative Expenses	2	65,621	48,906
Other Operating Income		500	
		- --	---
Operating Profit		18,147	13,168
Interest Receivable			1
Interest Payable		13,400	9,521
		- -	-- -
Profit on Ordinary Activities Before Taxation		4,747	3,648
Taxation	3		-
		---	- -
Profit for the financial year		4,747	3,648
Retained Profit Brought Forward		3,648	
		- ---	- -
Retained Profit Carried Forward		8,395	3,648
		=====	=====

All amounts relating to continuing activities.

All recognised gains and losses have been included in the Profit and Loss account.

The notes on pages 7 and 8 form part of these financial statements.

MARKET ARMS LIMITED
BALANCE SHEET
AS AT 31 MARCH 2006

	Note	<u>2006</u>		<u>2005</u>	
		£	£	£	£
Fixed Assets					
Tangible Assets	4		162,144		160,093
Goodwill			15,000		15,000
			-- --		-- --
			177,144		175,093
Current Assets					
Stock		5,500		4,000	
Cash at bank & in hand		9,152		6,726	
		-		-	
		14,652		10,726	
Creditors:					
Amounts falling due within one year	5	9,563		12,327	
		----		---	
Net Current Assets / Liabilities			5,089		(1,601)
			--		--
Total Assets Less Current Liabilities			182,233		173,492
Creditors:					
Amounts falling due after one year	6		173,738		169,843
			----		-- --
Net Assets			8,495		3,649
			=====		=====
Capital and Reserves					
Called up Share Capital	7		100		1
Profit and Loss Account			8,395		3,648
			-		-
Shareholders Funds			8,495		3,649
			=====		=====

This Balance sheet is continued on page 5.

The notes on pages 7 and 8 form part of these financial statements.

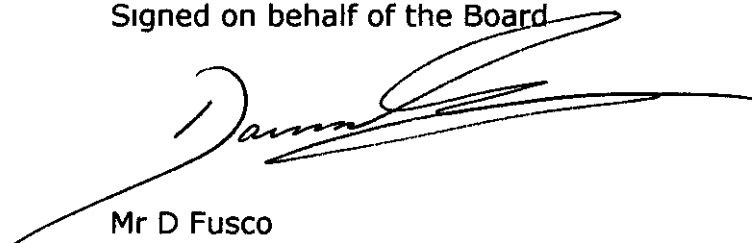
MARKET ARMS LIMITED
BALANCE SHEET
AS AT 31 MARCH 2006 (CONTINUED)

In preparing these unaudited financial statements advantage has been taken of the exemption under section 249A(1) of the Companies Act 1985. No notice requiring an audit has been deposited by members under section 249B(2).

Company law requires the directors to prepare financial statements for each financial period which give a fair and true view of the state of affairs of the company and of the profit and loss of the company for that period and which comply with the provisions of the Companies Act 1985. 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 the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

These financial statements have been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'D Fusco', with a long horizontal flourish extending to the right.

Mr D Fusco
Director

15 December 2006

MARKET ARMS LIMITED
STATEMENT OF ACCOUNTING POLICIES
YEAR ENDED 31 MARCH 2006

The Financial Statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention.

(a) Turnover

Turnover consists of takings net of returns, trade discounts and value added tax.

(b) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

(c) Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives

Equipment & Fittings	-	10% reducing balance
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MARKET ARMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

1 TURNOVER

Turnover was attributable entirely to the United Kingdom market.

2 DISTRIBUTIVE & ADMINISTRATIVE EXPENSES

	£	<u>2005</u> £
These include:		
Depreciation of Plant & Equipment	1,680	1,454
Accountants Remuneration	900	1,250
	=====	=====

3 TAXATION

The tax charge for the year has been calculated at the relevant rate.

4 TANGIBLE FIXED ASSETS

	<u>Premises</u> £	<u>Equipment & Fittings</u> £	<u>Total</u> £
<u>Cost</u>			
At 31 March 2005	147,016	14,531	161,547
Additions	-	3,731	3,731
Disposals	---	---	---
At 31 March 2006	147,016	18,262	165,278
	- - -	- - -	- - -
<u>Depreciation</u>			
At 31 March 2005	-	1,454	1,454
Charge for Period		1,680	1,680
Disposals	-	-	-
At 31 March 2006	-	3,134	3,134
	- - -	- - -	- - -
<u>Net Book Value</u>			
31 March 2006	147,016	15,128	162,144
31 March 2005	147,016	13,077	160,093
	=====	=====	=====

MARKET ARMS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006 (CONTINUED)

5	CREDITORS:	<u>2006</u>	<u>2005</u>
	Amounts falling due within one year	£	£
	VAT	1,737	4,615
	Trade Creditors	1,826	1,407
	Accruals	1,000	1,000
	Term Loan	5,000	5,000
	Bank Account		305
		- -	- -
		9,563	12,327
		=====	=====
6	CREDITORS:		
	Amounts falling due after one year		
	Brewers Loan	19,623	
	Term Loan	156,799	163,331
	Directors Loan Account	(2,684)	6,512
		- -	- -
		173,738	169,843
		=====	=====
7	SHARE CAPITAL		
		£	£
	Authorised		
	Ordinary shares of £1 each	1,000	1,000
		=====	=====
	Allotted, called up & fully paid		
	Ordinary shares of £1 each	100	1
		=====	=====