

**MARKET ARMS LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**FINANCIAL STATEMENTS**

The Directors present their report and unaudited financial statements for the year ended 31 March 2007.

**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 2007**  
**(CONTINUED)**

**REVIEW OF THE BUSINESS**

This is the company's fourth 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**

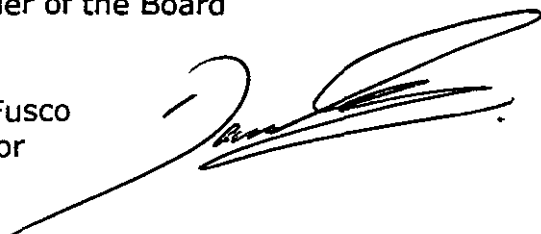
The Directors, who served throughout the year, were as follows:

Mr D. Fusco  
Mrs I. Fusco  
- Mr P. Scott  
Mrs J. Scott

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

A handwritten signature in black ink, appearing to be 'D. Fusco', written over a horizontal line.

15 January 2008

**MARKET ARMS LIMITED**  
**PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2007**

|                                                      | <b>Note</b> | <b><u>2007</u></b><br>£ | <b><u>2006</u></b><br>£ |
|------------------------------------------------------|-------------|-------------------------|-------------------------|
| Turnover                                             | 1           | 153,840                 | 149,602                 |
| Cost of Sales                                        |             | 69,562                  | 66,334                  |
|                                                      |             | ---                     | ---                     |
| <b>Gross Profit</b>                                  |             | 84,278                  | 83,268                  |
| Administrative Expenses                              | 2           | 64,138                  | 65,621                  |
| Other Operating Income                               |             | -                       | 500                     |
|                                                      |             | ---                     | ---                     |
| <b>Operating Profit</b>                              |             | 20,140                  | 18,147                  |
| Interest Receivable                                  |             | 22                      | -                       |
| Interest Payable                                     |             | 12,725                  | 13,400                  |
|                                                      |             | ---                     | ---                     |
| <b>Profit on Ordinary Activities Before Taxation</b> |             | 7,437                   | 4,747                   |
| Taxation on Profit on Ordinary Activities            | 3           | 4,186                   | -                       |
|                                                      |             | -                       | ---                     |
| <b>Profit on Ordinary Activities after Taxation</b>  |             | 3,251                   | 4,747                   |
| Retained Profit Brought Forward                      |             | 8,395                   | 3,648                   |
|                                                      |             | ----                    | ----                    |
| Retained Profit Carried Forward                      |             | 11,646                  | 8,395                   |
|                                                      |             | =====                   | =====                   |

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 2007**

|                                       | <b>Note</b> | <b><u>2007</u></b> |         | <b><u>2006</u></b> |         |
|---------------------------------------|-------------|--------------------|---------|--------------------|---------|
|                                       |             | £                  | £       | £                  | £       |
| <b>Fixed Assets</b>                   |             |                    |         |                    |         |
| Tangible Assets                       | 4           |                    | 161,425 |                    | 162,144 |
| Goodwill                              |             |                    | 15,000  |                    | 15,000  |
|                                       |             |                    | ---     |                    | --      |
|                                       |             |                    | 176,425 |                    | 177,144 |
| <b>Current Assets</b>                 |             |                    |         |                    |         |
| Stock                                 |             | 5,665              |         | 5,500              |         |
| Debtors                               | 5           | 9,746              |         | 2,684              |         |
| Cash at bank & in hand                |             | 5,226              |         | 9,152              |         |
|                                       |             | ---                |         |                    |         |
|                                       |             | 20,637             |         | 17,336             |         |
| <b>Creditors:</b>                     |             |                    |         |                    |         |
| Amounts falling due within one year   | 6           | 18,873             |         | 9,563              |         |
|                                       |             | --                 |         | -                  |         |
| Net Current Assets                    |             |                    | 1,764   |                    | 7,773   |
|                                       |             |                    | ---     |                    | -       |
| Total Assets Less Current Liabilities |             |                    | 178,189 |                    | 184,917 |
| <b>Creditors:</b>                     |             |                    |         |                    |         |
| Amounts falling due after one year    | 7           |                    | 166,443 |                    | 176,422 |
|                                       |             |                    | --      |                    | ---     |
| <b>Net Assets</b>                     |             |                    | 11,746  |                    | 8,495   |
|                                       |             |                    | =====   |                    | =====   |
| <b>Capital and Reserves</b>           |             |                    |         |                    |         |
| Called up Share Capital               | 8           |                    | 100     |                    | 100     |
| Profit and Loss Account               |             |                    | 11,646  |                    | 8,395   |
|                                       |             |                    | --      |                    | ----    |
| <b>Shareholders Funds</b>             |             |                    | 11,746  |                    | 8,495   |
|                                       |             |                    | =====   |                    | =====   |

This Balance sheet is continued on page 5.

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

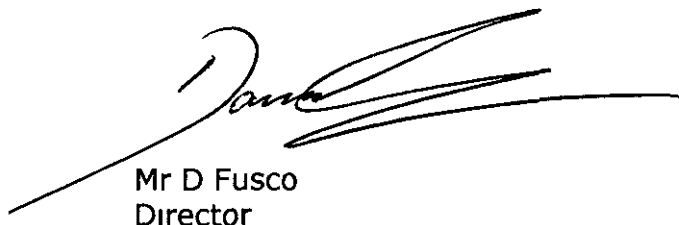
**MARKET ARMS LIMITED**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2007 (CONTINUED)**

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 January 2005).

These accounts were approved by the Board on 15 January 2008.



Mr D Fusco  
Director

**MARKET ARMS LIMITED**  
**STATEMENT OF ACCOUNTING POLICIES**  
**YEAR ENDED 31 MARCH 2007**

The Financial Statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) 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% | 20% reducing balance basis |
| Premises             |   | 2%  | Straight Line              |

**MARKET ARMS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**1 TURNOVER**

Turnover was attributable entirely to the United Kingdom market.

| <b>2 DISTRIBUTIVE &amp; ADMINISTRATIVE EXPENSES</b> | <b><u>2007</u></b> | <b><u>2006</u></b> |
|-----------------------------------------------------|--------------------|--------------------|
|                                                     | <b>£</b>           | <b>£</b>           |
| These include:                                      |                    |                    |
| Depreciation of Plant & Equipment                   | 1,967              | 1,680              |
| Depreciation of Premises                            | 2,940              |                    |
| Directors Remuneration                              | 9,440              | 9,160              |
|                                                     | =====              | =====              |

**3 TAXATION**

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

**4 TANGIBLE FIXED ASSETS**

|                              | <b><u>Premises</u></b> | <b><u>Equipment &amp; Fittings</u></b> | <b><u>Total</u></b> |
|------------------------------|------------------------|----------------------------------------|---------------------|
|                              | <b>£</b>               | <b>£</b>                               | <b>£</b>            |
| <b><u>Cost</u></b>           |                        |                                        |                     |
| At 31 March 2006             | 147,016                | 18,262                                 | 165,278             |
| Additions                    | -                      | 4,188                                  | 4,188               |
| Disposals                    | -                      | -                                      | -                   |
|                              | --                     | ---                                    | --                  |
| At 31 March 2007             | 147,016                | 22,450                                 | 169,466             |
|                              | - --                   | --                                     | -- -                |
| <b><u>Depreciation</u></b>   |                        |                                        |                     |
| At 31 March 2006             |                        | 3,134                                  | 3,134               |
| Charge for Period            | 2,940                  | 1,967                                  | 4,907               |
| Disposals                    | -                      | -                                      | -                   |
|                              | ----                   | -                                      | ----                |
| At 31 March 2007             | 2,940                  | 5,101                                  | 8,041               |
|                              | - -                    | ----                                   | - --                |
| <b><u>Net Book Value</u></b> |                        |                                        |                     |
| 31 March 2007                | 144,076                | 17,349                                 | 161,425             |
| 31 March 2006                | 147,016                | 15,128                                 | 162,144             |
|                              | =====                  | =====                                  | =====               |

**MARKET ARMS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2007 (CONTINUED)**

| <b>5</b> | <b>DEBTORS</b>                                                  | <u><b>2007</b></u><br>£ | <u><b>2006</b></u><br>£ |
|----------|-----------------------------------------------------------------|-------------------------|-------------------------|
|          | Directors Loan Account                                          | 9,746<br>=====          | 2,684<br>=====          |
| <b>6</b> | <b>CREDITORS:</b><br><b>Amounts falling due within one year</b> | £                       | £                       |
|          | VAT                                                             | 1,984                   | 1,737                   |
|          | Trade Creditors                                                 | 1,446                   | 1,826                   |
|          | Accruals                                                        | 1,000                   | 1,000                   |
|          | Term Loan                                                       | 5,000                   | 5,000                   |
|          | Bank Account                                                    | 5,928                   | -                       |
|          | Corporation Tax                                                 | 3,515                   | -                       |
|          |                                                                 | --                      | --                      |
|          |                                                                 | 18,873<br>=====         | 9,563<br>=====          |
| <b>7</b> | <b>CREDITORS:</b><br><b>Amounts falling due after one year</b>  | £                       | £                       |
|          | Brewers Loan                                                    | 16,453                  | 19,623                  |
|          | Term Loan                                                       | 149,990                 | 156,799                 |
|          |                                                                 | ----                    | --                      |
|          |                                                                 | 166,443<br>=====        | 176,422<br>=====        |
| <b>8</b> | <b>SHARE CAPITAL</b>                                            |                         |                         |
|          |                                                                 | £                       | £                       |
|          | Authorised<br>Ordinary shares of £1 each                        | 1,000<br>=====          | 1,000<br>=====          |
|          | Allotted, called up & fully paid<br>Ordinary shares of £1 each  | 100<br>=====            | 100<br>=====            |