

00942557 (England and Wales)
562/M05

ACCOUNTS FOR REGISTRAR

Marksglade Limited

Directors' Report and Financial Statements
for the year ended 30th September 1997



Marksgrade Limited

Company Information

| | |
|--------------------------|---|
| Directors | Mrs S.Gwyn-Jones Mr T Gwyn-Jones Mr N C Morris |
| Secretary | K.Bainbridge |
| Company Number | 00942557 (England and Wales) |
| Registered Office | 18 Queen Anne Street London W1M 0HB |
| Auditors | Cavendish & Company Chartered Certified Accountants Registered Auditors 18 Queen Anne Street London W1M 0HB |

Marksglade Limited

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Marksgrade Limited

Directors' Report for the year ended 30th September 1997

The directors present their report and the financial statements for the year ended 30th September 1997.

Principal Activities and Review of the Business

The principal activity of the company in the year under review was property dealing and Joint Ventures in Properties.

Turnover during the year was £175,000 . The director considers the results achieved satisfactory in the light of trading conditions and consider the state of the company's affairs at the year end to be satisfactory.

Results and Dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a dividend.

Directors and their Interests

The directors who served during the year and their interests in the company were as stated below.

| | Class of share | Number of shares | |
|------------------|-----------------|------------------|------|
| | | 1997 | 1996 |
| Mrs S.Gwyn-Jones | Ordinary shares | 99 | 99 |
| Mr T Gwyn-Jones | Ordinary shares | 1 | 1 |
| Mr N C Morris | Ordinary shares | — | — |

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Cavendish & Company be reappointed as auditors of the company will be put to the Annual General Meeting.

Basis of preparation

In preparing the above report the directors have taken advantage of special exemptions conferred by Part II of Schedule 8 applicable under s246(1B) of the Companies Act 1985.

Marksglade Limited

Directors' Report for the year ended 30th September 1997 (continued)

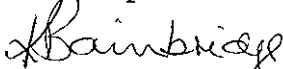
Directors' Responsibilities

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 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 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.

This report was approved by the Board on 27th July 1998


K. Bainbridge
Secretary

Marksglade Limited
Auditors' Report
to the shareholders of Marksglade Limited

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 judgements 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 of the state of the company's affairs as at 30th September 1997 and of its Profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

.....
Cavendish & Company
Chartered Certified Accountants
Registered Auditors

18 Queen Anne Street
London W1M 0HB

28 July 1998

Marksglade Limited

**Profit and Loss Account
for the year ended 30th September 1997**

| | Notes | 1997 £ | 1996 £ |
|--|-------|-----------------|-----------------|
| Turnover | 2 | 175,000 | 91,000 |
| Cost of sales | | (141,010) | (105,743) |
| Gross profit | | 33,990 | (14,743) |
| Administrative expenses | | (66,784) | (72,373) |
| Other operating income | | 223,321 | 223,646 |
| Operating profit | 3 | 190,527 | 136,530 |
| Interest payable and similar charges | 4 | (70,857) | (83,354) |
| Profit on ordinary activities before taxation | | 119,670 | 53,176 |
| Tax on profit on ordinary activities | 5 | (40,774) | 1,269 |
| Profit for the year | 13 | £ 78,896 | £ 54,445 |

There are no recognised gains and losses other than those passing through the profit and loss account.

The attached notes form an integral part of these accounts.

Marksglade Limited

Balance Sheet
as at 30th September 1997

| | Notes | 1997 £ | £ | 1996 £ | £ |
|--|-------|--------------------|------------------|------------------|------------------|
| Fixed Assets | | | | | |
| Tangible assets | 6 | | -- | | 2,530 |
| Investments | 7 | | 875 | | 875 |
| | | | <u>875</u> | | <u>3,405</u> |
| Current Assets | | | | | |
| Stocks | 8 | 1,130,946 | | 1,204,886 | |
| Debtors | 9 | 917,439 | | 306,885 | |
| | | <u>2,048,385</u> | | <u>1,511,771</u> | |
| Creditors: amounts falling due within one year | 10 | <u>(1,388,163)</u> | | <u>(909,138)</u> | |
| Net Current Assets | | | <u>660,222</u> | | <u>602,633</u> |
| Total Assets Less Current Liabilities | | | <u>661,097</u> | | <u>606,038</u> |
| Creditors: amounts falling due after more than one year | 11 | | <u>(265,201)</u> | | <u>(289,038)</u> |
| | | | <u>£ 395,896</u> | | <u>£ 317,000</u> |
| Capital and Reserves | | | | | |
| Called up share capital | 12 | | 100 | | 100 |
| Profit and loss account | 13 | | 395,796 | | 316,900 |
| Shareholders' Funds (equity interests) | 14 | | <u>£ 395,896</u> | | <u>£ 317,000</u> |

Reduced disclosure

The directors have taken advantage of special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in the directors' opinion, the company is entitled to those exemptions as a small company.

The financial statements were approved by the Board on 27 July 1998.

Mrs S. Gwyn-Jones
Director

Mr T Gwyn-Jones
Director

The attached notes form an integral part of these accounts.

Marksglade Limited

Notes to the Financial Statements for the year ended 30th September 1997

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents sales of properties.

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:

| | | |
|---------------|---|-------------------|
| Motor vehicle | – | 25% Straight line |
|---------------|---|-------------------|

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the U.K.

Marksglade Limited

Notes to the Financial Statements for the year ended 30th September 1997

| | | |
|--|-------------------|-------------------|
| 3. Operating profit | 1997 | 1996 |
| | £ | £ |
| Operating profit is stated after charging: | | |
| Depreciation of tangible assets | 2,530 | 2,530 |
| Auditors' remuneration | 1,000 | 1,000 |
| | <u> </u> | <u> </u> |
| 4. Interest Payable | 1997 | 1996 |
| | £ | £ |
| On bank loans and overdrafts | 41,006 | 54,518 |
| On other loans wholly repayable within 5 years | 29,330 | 28,242 |
| On overdue tax | 521 | 594 |
| | <u> </u> | <u> </u> |
| | £ 70,857 | £ 83,354 |
| | <u> </u> | <u> </u> |
| 5. Taxation | 1997 | 1996 |
| | £ | £ |
| U.K. Current year taxation | | |
| U.K. Corporation tax | 35,000 | 14,500 |
| Payment in respect of group relief | 6,968 | — |
| | <u> </u> | <u> </u> |
| | £ 41,968 | £ 14,500 |
| Prior years | | |
| U.K. Corporation tax | (1,194) | (15,769) |
| | <u> </u> | <u> </u> |
| | £ 40,774 | £ (1,269) |
| | <u> </u> | <u> </u> |

Marksglade Limited

Notes to the Financial Statements
for the year ended 30th September 1997

6. Tangible assets

| | Motor vehicle £ |
|---|-----------------------|
| Cost | |
| At 1st October 1996 & at 30th September 1997 | 10,120 |
| Depreciation | |
| At 1st October 1996 | 7,590 |
| Charge for year | 2,530 |
| At 30th September 1997 | 10,120 |
| Net book values | |
| At 30th September 1997 | £ — |
| At 30th September 1996 | £ 2,530 |

Marksglade Limited

Notes to the Financial Statements for the year ended 30th September 1997

| 7. Fixed Asset Investments | 1997 £ | 1996 £ |
|----------------------------|------------|------------|
| Subsidiary undertakings | 200 | 200 |
| Participating interests | 675 | 675 |
| | <u>875</u> | <u>875</u> |

Investment in subsidiary undertakings

Shares
£

Cost

At 1st October 1996 &
at 30th September 1997

200

Net Book Values

At 30th September 1997

£ 200

At 30th September 1996

£ 200

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Undertakings in which the company has a participating interest

Shares
£

At 1st October 1996

675

At 30th September 1997

£ 675

At 30th September 1996

£ 675

Holdings of more than 10%

The company holds more than 10% of the share capital of the following companies:

| Company | Country of registration or incorporation | Shares held Class | % |
|--------------------------------|---|----------------------|------|
| Subsidiary undertakings | | | |
| Newnoble Limited | England | Ordinary | 100% |
| Dalebeam Limited | England | Ordinary | 100% |
| Participating interests | | | |
| Arrowsmith Properties Limited | England | Ordinary | 50% |
| Greycroft Investments Limited | England | Ordinary | 10% |

8. Stocks

| | 1997 £ | 1996 £ |
|-----------------------|------------------|------------------|
| Properties for resale | <u>1,130,946</u> | <u>1,204,886</u> |

Marksglade Limited

Notes to the Financial Statements for the year ended 30th September 1997

| | | |
|--|------------------|------------------|
| 9. Debtors | 1997 | 1996 |
| | £ | £ |
| Amounts owed by group undertakings | 902,807 | 285,006 |
| Other debtors | 14,632 | 19,315 |
| | <u>£ 917,439</u> | <u>£ 306,885</u> |
| 10. Creditors: amounts falling due within one year | 1997 | 1996 |
| | £ | £ |
| Bank loans and overdrafts | 522,832 | 521,706 |
| Amounts owed to group undertakings | 46,968 | 66,864 |
| Amounts owed to participating interest | 664,364 | 106,901 |
| Corporation tax | 49,481 | 38,523 |
| Other taxes and social security costs | 16,180 | 27,102 |
| Directors' current accounts | 64,595 | 69,969 |
| Accruals and deferred income | 23,743 | 78,073 |
| | <u>£,388,163</u> | <u>£ 909,138</u> |
| 11. Creditors: amounts falling due after more than one year | 1997 | 1996 |
| | £ | £ |
| Bank loans (secured) | 108,163 | 120,000 |
| Mortgages (secured) | 157,038 | 169,038 |
| | <u>£ 265,201</u> | <u>£ 289,038</u> |
| 12. Share Capital | 1997 | 1996 |
| | £ | £ |
| Authorised | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |
| Allotted, called up and fully paid | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

Marksglade Limited

Notes to the Financial Statements for the year ended 30th September 1997

| | | |
|---|------------------|------------------|
| 13. Profit And Loss Account | 1997 | 1996 |
| | £ | £ |
| Retained profits at 1st October 1996 | 316,900 | 262,455 |
| Retained profit for the year | 78,896 | 54,445 |
| | <u>£ 395,796</u> | <u>£ 316,900</u> |
| 14. Reconciliation of Movements in Shareholders' Funds | 1997 | 1996 |
| | £ | £ |
| Profit for the financial year | 78,896 | 54,445 |
| Opening shareholders' funds | 317,000 | 262,555 |
| | <u>£ 395,896</u> | <u>£ 317,000</u> |
| 15. Directors' Emoluments | 1997 | 1996 |
| | £ | £ |
| Remuneration | <u>15,500</u> | <u>11,500</u> |
| 16. Employees | | |
| Number of employees | | |
| There were no employees during the year apart from the directors. | | |
| Employee | — | 2 |
| Employment costs | £ | £ |
| Remuneration | 13,000 | 9,000 |
| Social security costs | 1,300 | 918 |
| Other pension costs | 2,500 | 2,500 |
| | <u>£ 16,800</u> | <u>£ 12,418</u> |