

Company Registration No. 00942557 (England and Wales)

MARKSGLADE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004

**REGISTRAR'S COPY
OF ACCOUNTS**



Cavendish
Chartered Certified Accountants
Registered Auditors
London WC2N 4HG

Reference 562

DEX

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MARKSGLADE LIMITED

COMPANY INFORMATION

Directors	T Gwyn-Jones N C Morris
Secretary	K Bainbridge
Company number	00942557
Registered office	61 Chandos Place London WC2N 4HG
Auditors	Cavendish Chartered Certified Accountants Registered Auditors 61 Chandos Place London WC2N 4HG
Business address	Hamstead Park, Hamstead Marshall Newbury Berkshire RG15 0HE
Bankers	Lloyds TSB Bank plc Gracechurch House 23/35 Castle Way Southampton SO14 2BW Nationwide Building Society 123B High Street Waltham Cross EN8 7AD

MARKSGLADE LIMITED

CONTENTS

	Page
Directors' report	1
Independent auditors' report	2
Profit and loss account	3
Balance sheet	4
Notes to the financial statements	5 - 9

MARKSGLADE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2004

The directors present their report and financial statements for the year ended 30 September 2004.

Principal activities

The principal activity of the company continued to be that of property dealing and joint ventures in properties.

Directors

The following directors have held office since 1 October 2003:

T Gwyn-Jones
N C Morris

Directors' interests

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

	Ordinary shares of £ 1 each	
	30 September 2004	1 October 2003
T Gwyn-Jones	1	1
N C Morris	-	-

Auditors

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

Directors' responsibilities

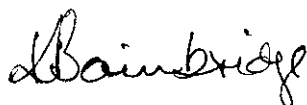
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

By order of the board



K Bainbridge
Secretary
3 August 2005

MARKSGLADE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MARKSGLADE LIMITED

We have audited the financial statements of Marksglade Limited on pages 3 to 9 for the year ended 30 September 2004. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 30 September 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Cavendish

Chartered Certified Accountants
Registered Auditors

4 August 2005

61 Chandos Place
London WC2N 4HG

MARKSGLADE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2004

	Notes	2004 £	2003 £
Turnover		329,824	1,262,752
Cost of sales		(113,604)	(287,083)
Gross profit		216,220	975,669
Administrative expenses		(58,632)	(100,081)
Other operating income		191,099	163,574
Operating profit	2	348,687	1,039,162
Other interest receivable and similar income		2,665	4,638
Interest payable and similar charges		(151,790)	(159,811)
Profit on ordinary activities before taxation		199,562	883,989
Tax on profit on ordinary activities	3	(60,000)	(273,683)
Profit on ordinary activities after taxation	9	139,562	610,306


MARKSGLADE LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Investments	4		700		700
Current assets					
Stocks		827,947		877,947	
Debtors	5	3,449,791		3,344,481	
Cash at bank and in hand		99,125		101,008	
		<u>4,376,863</u>		<u>4,323,436</u>	
Creditors: amounts falling due within one year	6	<u>(377,826)</u>		<u>(463,961)</u>	
Net current assets			<u>3,999,037</u>		<u>3,859,475</u>
Total assets less current liabilities			<u>3,999,737</u>		<u>3,860,175</u>
Creditors: amounts falling due after more than one year	7		<u>(1,993,245)</u>		<u>(1,993,245)</u>
			<u>2,006,492</u>		<u>1,866,930</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account	9		<u>2,006,392</u>		<u>1,866,830</u>
Shareholders' funds			<u>2,006,492</u>		<u>1,866,930</u>

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 June 2002).

The financial statements were approved by the Board on 3 August 2005


T Gwyn Jones
Director

MARKSGLADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2004

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 June 2002).

1.2 Turnover

Turnover represents sales of properties.

1.3 Investments

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

1.4 Stock

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

1.5 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.6 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2	Operating profit	2004	2003
		£	£
	Operating profit is stated after charging:		
	Auditors' remuneration	4,227	3,706
	and after crediting:		
	Government grants	10,000	-
		<u> </u>	<u> </u>
3	Taxation	2004	2003
		£	£
	Domestic current year tax		
	U.K. corporation tax	60,000	231,815
	Adjustment for prior years	-	41,868
		<u> </u>	<u> </u>
	Current tax charge	<u>60,000</u>	<u>273,683</u>

MARKSGLADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

4 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 October 2003 & at 30 September 2004	700

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Newnoble Limited	England	Ordinary Shares	100
Dalebeam Limited	England	Ordinary Shares	100
Arrowsmith Properties Limited	England	Ordinary Shares	50

The principal activity of above companies are that of property dealing.

The aggregate amount of capital and reserves and the results of this undertaking for the last relevant financial year were as follows:

	Capital and reserves 2004 £	Profit for the year 2004 £
Newnoble Limited	281,575	24,755
Dalebeam Limited	115,781	24,454
Arrowsmith Properties Limited	(15,117)	13,392

5 Debtors

	2004 £	2003 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	2,061,943	2,453,943
Other debtors	1,387,848	890,538
	<u>3,449,791</u>	<u>3,344,481</u>

MARKSGLADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

6	Creditors: amounts falling due within one year	2004	2003
		£	£
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	119,028	14,028
	Taxation and social security	63,217	321,628
	Other creditors	195,581	128,305
		<u>377,826</u>	<u>463,961</u>
7	Creditors: amounts falling due after more than one year	2004	2003
		£	£
	Bank loans	<u>1,993,245</u>	<u>1,993,245</u>
	Analysis of loans		
	Wholly repayable within five years	<u>1,993,245</u>	<u>1,993,245</u>
	Bank loans are secured by fixed charges over the company's property stocks, a floating charge over all of the company's assets, and fixed charges over the property stocks of Dalebeam Limited and Newnoble Limited, two of the company's subsidiary undertakings.		
8	Share capital	2004	2003
		£	£
	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>
9	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 October 2003		1,866,830
	Retained profit for the year		<u>139,562</u>
	Balance at 30 September 2004		<u>2,006,392</u>

MARKSGLADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 30 SEPTEMBER 2004***

10 Control

The immediate and ultimate parent company is Kingscastle Limited.

The ultimate controlling party is T Gwyn- Jones, by virtue of his shareholding in the ultimate parent company.

MARKSGLADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

11 Related party transactions	2004 £	2003 £
Amounts owed by group undertakings are due from the following group undertakings:		
Dalebeam Limited	166,665	216,665
Kingscastle Limited	837,075	587,075
Boldhurst Properties Limited	-	550,000
Arrowsmith Limited	3,288	3,288
Dreamlodge Limited	700,000	700,000
Macegrove Limited	350,000	350,000
Newnoble Limited	4,915	46,915
	<u>2,061,943</u>	<u>2,453,943</u>

Included in other debtors are the followings amounts due from related parties:

Greycroft Limited	809,384	809,384
Microhire Investments Limited	26,000	26,000
Dramay Holdings Limited	530,000	30,000
	<u>1,365,384</u>	<u>865,384</u>

Amounts owed to group undertakings are due to the following companies:

Greycroft Holdings Limited	100,000	-
Oakdawn Limited	19,028	14,028
	<u>119,028</u>	<u>14,028</u>

Included in other creditors are the following amounts due to related parties:

Greycroft Investments Limited	80,940	30,940
T Gwyn-Jones	382	382
	<u>81,322</u>	<u>31,322</u>

During the year the company paid rent of £5,000 (2003: £5,000) to Kingscastle Limited, the ultimate parent undertaking.

T Gwyn-Jones is a director and the ultimate controlling party of Marksglade Limited and all of the above-named companies.