

**MARKSGLADE LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2005**

**REGISTRAR'S COPY  
OF ACCOUNTS**



**Cavendish**  
Chartered Certified Accountants  
Registered Auditors  
London WC2N 4HG

Reference 562

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# MARKSGLADE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	T. Gwyn-Jones N. C. Morris
<b>Secretary</b>	K. Bainbridge
<b>Company number</b>	00942557
<b>Registered office</b>	61 Chandos Place London WC2N 4HG
<b>Auditors</b>	Cavendish Chartered Certified Accountants Registered Auditors 61 Chandos Place London WC2N 4HG
<b>Business address</b>	Hamstead Park Hamstead Marshall Newbury Berkshire RG20 0HE
<b>Bankers</b>	Lloyds TSB Bank plc Gracechurch House 23/35 Castle Way Southampton SO14 2BW  Nationwide Building Society 123B High Street Waltham Cross EN8 7AD

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# MARKSGLADE LIMITED

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# MARKSGLADE LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2005

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The directors present their report and financial statements for the year ended 30 September 2005.

### 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 2004:

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 2005	1 October 2004
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

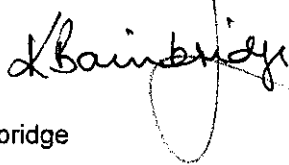
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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 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

1 August 2006

# MARKSGLADE LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MARKSGLADE LIMITED

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We have audited the financial statements of Marksglade Limited on pages 3 to 9 for the year ended 30 September 2005. 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 or 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 other transactions 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.

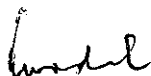
### **Basis of audit opinion**

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 2005 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

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61 Chandos Place  
London WC2N 4HG

# MARKSGLADE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2005

	Notes	2005 £	2004 £
Turnover		438,044	329,824
Cost of sales		(95,666)	(113,604)
<b>Gross profit</b>		<b>342,378</b>	<b>216,220</b>
Administrative expenses		(45,762)	(58,632)
Other operating income		177,666	191,099
<b>Operating profit</b>	<b>2</b>	<b>474,282</b>	<b>348,687</b>
Investment income	<b>3</b>	53,944	-
Other interest receivable and similar income	<b>3</b>	21,294	2,665
Interest payable and similar charges		(140,136)	(151,790)
<b>Profit on ordinary activities before taxation</b>		<b>409,384</b>	<b>199,562</b>
Tax on profit on ordinary activities	<b>4</b>	99,438	(60,000)
<b>Profit on ordinary activities after taxation</b>	<b>10</b>	<b>508,822</b>	<b>139,562</b>

# MARKSGLADE LIMITED

## BALANCE SHEET AS AT 30 SEPTEMBER 2005

	Notes	2005 £	£	2004 £	£
<b>Fixed assets</b>					
Investments	5		700		700
<b>Current assets</b>					
Stocks		777,947		827,947	
Debtors	6	3,791,217		3,449,791	
Cash at bank and in hand		100,483		99,125	
		<u>4,669,647</u>		<u>4,376,863</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(161,852)</u>		<u>(377,826)</u>	
<b>Net current assets</b>			4,507,795		3,999,037
<b>Total assets less current liabilities</b>			4,508,495		3,999,737
<b>Creditors: amounts falling due after more than one year</b>	8		<u>(1,993,181)</u>		<u>(1,993,245)</u>
			<u>2,515,314</u>		<u>2,006,492</u>
<b>Capital and reserves</b>					
Called up share capital	9		100		100
Profit and loss account	10		2,515,214		2,006,392
<b>Shareholders' funds</b>			<u>2,515,314</u>		<u>2,006,492</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 1 August 2006

T. Gwyn-Jones  
Director

# MARKSGLADE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005

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### 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 and rent receivable.

#### 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.

<b>2 Operating profit</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Auditors' remuneration	4,700	4,227
and after crediting:		
Government grants	-	10,000
	<hr/>	<hr/>
<b>3 Investment income</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Income from participating interests	53,944	-
Bank interest	3,895	2,665
Other interest	17,399	-
	<hr/>	<hr/>
	75,238	2,665
	<hr/>	<hr/>



# MARKSGLADE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

4	Taxation	2005 £	2004 £
	Domestic current year tax		
	U.K. corporation tax	107,000	60,000
	Adjustment for prior years	(206,438)	-
	<b>Current tax charge</b>	<b>(99,438)</b>	<b>60,000</b>

### 5 Fixed asset investments

	Shares in group undertakings and participating interests £
<b>Cost</b>	
At 1 October 2004 and at 30 September 2005	700
<b>Net book value</b>	
At 30 September 2004 and at 30 September 2005	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	Class	Shares held %
<b>Subsidiary undertakings</b>			
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 2005 £	Profit for the year 2005 £
Newnoble Limited	305,204	23,629
Dalebeam Limited	142,822	27,041
Arrowsmith Properties Limited	(15,036)	81

# MARKSGLADE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

6	Debtors	2005 £	2004 £
	Amounts owed by group undertakings and undertakings in which the company has a participating interest	2,315,943	2,061,943
	Other debtors	1,475,274	1,387,848
		<u>3,791,217</u>	<u>3,449,791</u>
7	Creditors: amounts falling due within one year	2005 £	2004 £
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	118,140	119,028
	Taxation and social security	3,217	63,217
	Other creditors	40,495	195,581
		<u>161,852</u>	<u>377,826</u>
8	Creditors: amounts falling due after more than one year	2005 £	2004 £
	Bank loans	<u>1,993,181</u>	<u>1,993,245</u>
	<b>Analysis of loans</b>		
	Wholly repayable within five years	<u>1,993,181</u>	<u>1,993,245</u>
<p>Bank loans are secured by charges over the company's property stocks. In addition, Dalebeam Limited and Newnoble Limited, two of the the subsidiary undertakings have provided charges over their property stocks to assist in securing the company's bank loans.</p>			
9	Share capital	2005 £	2004 £
	<b>Authorised</b>		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<b>Allotted, called up and fully paid</b>		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

# MARKSGLADE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

### 10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2004	2,006,392
Retained profit for the year	508,822
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Balance at 30 September 2005	2,515,214
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### 11 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 2005

12 Related party transactions	2005 £	2004 £
Amounts due from the following group undertakings:		
Dalebeam Limited	179,665	166,665
Kingscastle Limited	1,428,075	1,187,075
Arrowsmith Limited	3,288	3,288
Dreamlodge Limited	700,000	700,000
Newnoble Limited	4,915	4,915
	<u>2,315,943</u>	<u>2,061,943</u>

Included in other debtors are the followings amounts due from companies in which T Gwyn-Jones is a director and has a controlling interest.

Greycroft Limited	809,384	809,384
Microhire Investments Limited	529,004	26,000
Dramay Holdings Limited	-	530,000
Bonneyhall Limited	425	-
	<u>1,338,813</u>	<u>1,365,384</u>

Amounts due by the following group undertakings:

Greycroft Holdings Limited	99,112	100,000
Oakdawn Limited	19,028	19,028
	<u>118,140</u>	<u>119,028</u>

Included in other creditors are the followings amounts due to companies in which T Gwyn-Jones is a director and has a controlling interest.

Greycroft Investments Limited	-	80,940
	<u>-</u>	<u>80,940</u>