

MARKSGLADE LIMITED

Company No: 00942557

REGISTRAR'S COPY
OF ACCOUNTS

FINANCIAL STATEMENTS

- for the year ended -

30TH SEPTEMBER 2001



CAVENDISH
Chartered Certified Accountants
Registered Auditors
61 Chandos Place
London WC2N 4HG

Reference 562/M05

TICK

MARKSGLADE LIMITED

DIRECTORS

Mrs S. Gwyn-Jones
Mr T. Gwyn-Jones
Mr N. C. Morris

SECRETARY

K. Bainbridge

REGISTERED OFFICE

61 Chandos Place
London WC2N 4HG

AUDITORS

Cavendish
Chartered Certified Accountants
Registered Auditors
61 Chandos Place
London WC2N 4HG

PRINCIPAL BANKERS

Lloyds TSB Bank plc
Gracechurch House
23/35 Castle Way
Southampton
Hampshire SO14 2BW

Nationwide Building Society
123B High Street
Waltham Cross
Herts EN8 7AD

MARKSGLADE LIMITED

INDEX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2001

Page

1	Report of the directors
2	Auditors' report
3	Profit and loss account
4	Balance sheet
5	Notes to the financial statements

MARKSGLADE LIMITED

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 30 September 2001.

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was property dealing and joint ventures in properties.

DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

	<u>Class of shares</u>	<u>Number of shares</u>	
		<u>2001</u>	<u>2000</u>
Mrs S. Gwyn-Jones	Ordinary shares	99	99
Mr T. Gwyn-Jones	Ordinary shares	1	1
Mr N. C. Morris	Ordinary shares	-	-

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.

AUDITORS

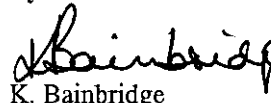
The auditors, Cavendish, are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

SMALL COMPANY RULES

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

Date: 15th July 2002

By Order of the Board



K. Bainbridge

Secretary

MARKSGLADE LIMITED

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

We have audited the financial statements of Marksglade Limited for the year ended on 30 September 2001 on pages 3 to 8. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 5.

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.

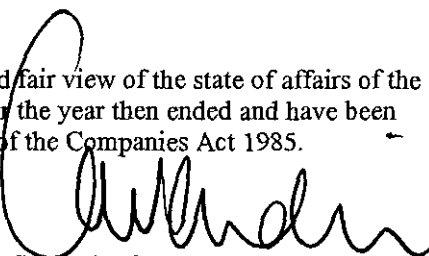
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing standards issued by the Auditing Practices Board. 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 affairs of the company as at 30 September 2001 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



CAVENDISH
Chartered Certified Accountants
Registered Auditors
61 Chandos Place
London WC2N 4HG

Date: 29th July 2002

MARKSGLADE LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 2001**

	Notes	2001 £	2000 £
TURNOVER		225,000	448,500
Cost of sales		(179,620)	(181,743)
GROSS PROFIT		45,380	266,757
Administrative expenses		(94,135)	(65,764)
		(48,755)	200,993
Other operating income		216,190	214,935
OPERATING PROFIT	2	167,435	415,928
Interest receivable		13,925	-
Interest payable		(118,808)	(27,357)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		62,552	388,571
Tax on profit on ordinary activities	4	(19,000)	(117,500)
PROFIT FOR THE FINANCIAL YEAR	11	43,552	271,071

The notes on pages 5 to 8 form part of these financial statements.

MARKSGLADE LIMITED**BALANCE SHEET AT 30TH SEPTEMBER 2001**

	Notes	2001 £	2000 £
FIXED ASSETS			
Investments	5 / 6	800	800
CURRENT ASSETS			
Stocks		1,121,278	1,011,747
Debtors	7	2,461,384	343,781
Cash at bank and in hand		568,736	108,039
		4,151,398	1,463,567
CREDITORS: Amounts falling due within one year	8	(304,708)	(240,912)
NET CURRENT ASSETS		3,846,690	1,222,655
TOTAL ASSETS LESS CURRENT LIABILITIES		3,847,490	1,223,455
CREDITORS: Amounts falling due after more than one year	9	(2,799,296)	(218,813)
		1,048,194	1,004,642
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account	11	1,048,094	1,004,542
SHAREHOLDERS FUNDS		1,048,194	1,004,642

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 the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved
by the board on 15th July 2002
and signed on its behalf by

Mrs S. Gwyn-Jones

Mr T. Gwyn-Jones

Mr N. C. Morris

)

)

) Directors

)

)

The notes on pages 5 to 8 form part of these financial statements.

MARKSGLADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2001

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and are in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

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

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 STOCKS

Stocks are valued at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

1.5 DEFERRED TAXATION

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.6 PENSIONS

Pension contributions are charged to the profit and loss account as incurred. These contributions are invested separately from the company's assets.

2. OPERATING PROFIT

	2001 £	2000 £
The operating profit is stated after charging:		
Auditors' remuneration	1,000	1,000

3. DIRECTORS

	2001 £	2000 £
Directors' emoluments	-	2,287

MARKSGLADE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2001****4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2001 £	2000 £
The taxation charge comprises:		
U.K. corporation tax	19,000	117,500
	<u>19,000</u>	<u>117,500</u>

5. INVESTMENTS

<u>Cost</u>	Beginning of year £	Additions £	End of year £
Shares in group undertaking and participating interests	800	-	800
	<u>800</u>	<u>-</u>	<u>800</u>

Details of the subsidiary undertakings are given in note 6.

6. INVESTMENTS - RELATED UNDERTAKINGS

Investments (note 5) include the following at the balance sheet date:

Company	Description and proportion of share capital owned	Country of incorporation	Nature of business
Newnoble Limited	Ordinary 100%	England	Property dealing
Dalebeam Limited	Ordinary 100%	England	Property dealing
Arrowsmith Properties Limited	Ordinary 50%	England	Property dealing

Financial information summary - related undertakings:

	Aggregate capital and reserves at last accounting date £	Results for the last financial period £
Newnoble Limited (Year ended 30/09/01)	221,870	10,884
Dalebeam Limited (Year ended 31/12/01)	54,553	21,309
Arrowsmith Properties Limited (Year ended 30/09/01)	(49,910)	17,459

MARKSGLADE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2001****7. DEBTORS**

	2001 £	2000 £
Trade debtors-Joint Venture	521,066	-
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,898,443	342,028
Other debtors	41,875	1,753
	<u>2,461,384</u>	<u>343,781</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Amounts owed to group undertakings and undertakings in which the company has a participating interest	30,940	42,025
Corporation tax	164,000	145,000
Other taxes and social security costs	3,217	2,264
Other creditors	106,551	51,623
	<u>304,708</u>	<u>240,912</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2001 £	2000 £
Mortgages (secured)	2,799,296	218,813
	<u>2,799,296</u>	<u>218,813</u>

10. SHARE CAPITAL

	2001 £	2000 £
<u>Authorised</u>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<u>Allotted, called up and fully paid</u>		
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 2001

11. PROFIT AND LOSS ACCOUNT

	2001 £	2000 £
Retained profits at 1 October 2000	1,004,542	733,471
Profit for the financial year	43,552	271,071
Retained profits at 30 September 2001	<u>1,048,094</u>	<u>1,004,542</u>

12. RELATED PARTY DISCLOSURES

At 30th September 2001, the following balances were owed by:

	2001 £	2000 £
<u>100% owned Subsidiaries</u>		
Dalebeam Limited	179,665	35,665
Newnoble Limited	82,415	-
<u>Other Group and Associated Companies</u>		
Kingscastle Limited	303,075	296,363
Dreamlodge Limited	700,000	-
Arrowsmith Properties Limited	3,288	10,000
Dramay Holdings Limited	30,000	-
Macagrove Limited	600,000	-

At 30th September 2001, the following balances were owed to:

	2001 £	2000 £
<u>100% owned Subsidiaries</u>		
Newnoble Limited	-	11,085
<u>Other Group and Associated Companies</u>		
Greycroft Investments Limited	30,940	30,940