

Midland & City Developments Limited

Directors' report and financial Statements

Registered number 3247521

For the year ended 28 February 2007

MONDAY



A7T6GVRI

A60

24/12/2007

238

COMPANIES HOUSE

Contents

Directors' report	1
Statement of directors' responsibilities in respect of the directors' report and the financial statement	2
Independent auditors' report to the members of MCD (Sheepcote) Limited	3
Profit and loss account	4
Balance sheet	5
Notes	6

Directors' report

The directors present their annual report and the audited financial statements for the year ended 28 February 2007

Principal activity

The principle activity of the company continues to be project co-ordinators and administrators of the associated project companies. These projects are virtually complete and the current year reflects the reduction of income due to this aspect.

No new activities are being sought by the company as it is intended to wind down the company on completion of existing projects.

Results and dividends

The result for the year is shown on page 4 of the financial statements.

The directors do not recommend the payment of the dividend (2006 £Nil).

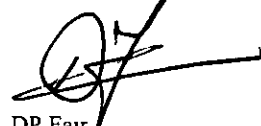
Directors and directors' interests

The directors who held office during the year and their beneficial interests in the shares of the company as disclosed in the shareholders register were as follows:

	Number of ordinary £1 shares at Beginning and end of year
JD Corstorphine	510
SG Byrne	510
TK Quigley	510

According to the register of directors' interests, no right to subscribe for shares in or debentures of the company were granted to any of the directors or the immediate family, or exercised by them, during the financial year.

By order of the Board



DP Fair
Secretary

35 St Paul's Square
Birmingham
B3 1QX

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors' are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 these financial statements, the directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgments and estimates that are reasonable and prudent, and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Profit and loss account
for the year ended 28 February 2007

	Note	2007 £	2006 £
Turnover	2	2,801	88,330
Cost of sales		-	
		<hr/>	<hr/>
Gross profit		2,801	88,330
Administrative expenses		(104,040)	(152,304)
		<hr/>	<hr/>
Operating loss		(101,239)	(63,974)
Other interest receivable and similar income		-	-
Interest payable and similar charges	4	(16,133)	(22,860)
		<hr/>	<hr/>
Loss on ordinary activities before taxation	3	(117,372)	(86,834)
Tax on (loss)/ profit on ordinary activities	7	-	27,515
		<hr/>	<hr/>
Loss on ordinary activities after taxation and loss retained for the financial year	13	(117,372)	(59,319)
		<hr/>	<hr/>

In the current and preceding year, all turnover and operating results arose from continuing operations

There were no recognised gains or losses in the current or preceding year other than those disclosed in the profit and loss account

Movements in reserves are set out in note 13

Balance sheet
at 28 February 2007

	Note	2007	2006
		£	£
Fixed assets			
Investments	8	32	33
Current assets			
Debtors	9	337,072	377,440
Cash at bank		8,143	-
		<u>345,215</u>	<u>377,440</u>
Creditors Amounts falling due within one year	10	<u>(692,948)</u>	<u>(607,802)</u>
Net current liabilities		<u>(347,733)</u>	<u>(230,362)</u>
Net liabilities		<u>(347,701)</u>	<u>(230,329)</u>
Capital and reserves			
Called up share capital	11	1,530	1,530
Profit and loss account	12	<u>(349,231)</u>	<u>(231,859)</u>
Shareholder's funds	13	<u>(347,701)</u>	<u>(230,329)</u>

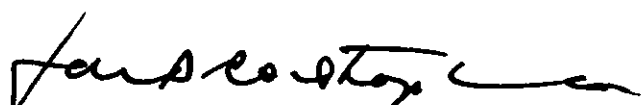
STATEMENT BY THE DIRECTORS UNDER SECTION 249B(4) OF THE COMPANIES ACT 1985

The directors

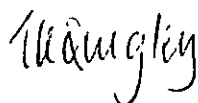
- (a) confirm that the company was entitled to exemption under section 249A(1) of the Companies Act 1985 from the requirement to have its accounts for the financial year ended 28 February 2007 audited
- (b) confirm that members have not required the company to obtain an audit if its accounts for the financial year in accordance with subsection (2) of section 248B(2) of that Act
- (c) acknowledge their responsibilities for
 - (i) ensuring that the company keeps accounting records which comply with section 221 on the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit and loss for the financial year in accordance with the requirements of section 226 of that Act, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company

These financial statements were approved by the board of directors on 21 November 2006 and were signed on its behalf by

JD Corstorphine
Director



TK Quigley
Director



Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements, except as noted below

In these financial statements the following new standards have been adopted for the first time

- FRS 21 "Events after the balance sheet date",
- The presentation requirements of FRS 25 "Financial instruments presentation and disclosure", and
- FRS 28 "Corresponding amounts"

FRS 21 and FRS 25 have had no material effect on the financial statements

In addition, FRS 28 "Corresponding amounts" has had no material effect as it imposes the same requirements for comparatives hitherto required by the Companies Act 1985

Basis of preparation.

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards

Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size

Group financial statements

The company is exempt by virtue of S248 OF THE Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the company an individual undertaking and not about its group

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Fixed assets and depreciation

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition

Depreciation of fixed assets is calculated to write off their cost less any residual value over their estimated useful lives as follows

Fixtures and fittings	-	25% straight line
-----------------------	---	-------------------

Notes (continued)

1 Accounting policies (continued)

Investments

In the company's balance sheet, investments in subsidiary and associated undertakings are stated at cost less permanent diminution in value

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred taxation is recognised, within discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

2 Turnover

Turnover represents project co-ordination fees recorded net of value added tax and is recognised on a receivable basis. All turnover arises on sales to customers within the United Kingdom and in the opinion of the directors constitutes one class of business

3 (Loss)/profit on ordinary activities before taxation

	2007 £	2006 £
<i>(Loss)/profit on ordinary activities before taxation is stated</i>		
<i>After charging</i>		
Auditors' remuneration		
Audit	-	6,000
Non-audit	-	2,500
Depreciation on owned assets	-	-
Profit on disposal of fixed assets	-	-
	<hr/>	<hr/>

4 Interest payable and similar charges

	2007 £	2006 £
Bank overdraft interest	16,133	22,860
	<hr/>	<hr/>

Notes (continued)

5 Staff members and cost

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	2007 £	2006 £
Administration	<u>5</u>	<u>7</u>

The aggregate payroll costs of these persons were as follows

	£	£
Wages and salaries	29,875	171,300
Social security costs	<u>3,860</u>	<u>19,739</u>
	<u>33,735</u>	<u>191,039</u>

Included above are payroll costs amounting to £ Nil (2006 £51,712) in relation to no employees (2006 2 employees) whose services are recharged to subsidiary and connected companies and companies in which the directors have an interest

6 Remuneration of directors

	2007 £	2006 £
Directors' emoluments In respect of qualifying services	-	-
Emoluments of higher paid director		
	£	£
Total remuneration excluding pension contribution	<u>-</u>	<u>-</u>

Notes *(continued)*

7 Tax on (loss)/profit on ordinary activities before taxation

(i) Analysis of (credit)/charge for the year

	2007 £	2006 £
UK Corporation tax		
Current tax on income for the year	-	(26,614)
Adjustments in respect of prior years	-	(901)
Total current tax and tax (credit)/charge on profit on ordinary activities	-	(27,515)

(ii) Factors affecting the tax (credit)/charge for the year

The tax assessed in the year (2006 lower) than the standard rate of corporation tax in the UK (30%) (2006 30%)

The differences are explained below

	2007 £	2006 £
(Loss)/profit on ordinary activities before tax	-	(86,834)
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation Tax in the UK of 30% (2006 30%)	-	(26,050)
Expenses not deductible for tax purposes	-	45
Capital allowances for the year in excess of depreciation	-	(609)
Increase in other timing differences	-	-
Tax rate lower than 30% on tax profits	-	-
Adjustment in respect of prior year	-	(901)
Total current taxation (see above)	-	(27,515)

Notes (continued)

8 Investments

	Shares in Group undertakings	Shares in undertaking in which company has a participating interest	Total
	£	£	£
<i>Cost and net book value</i>			
At the beginning and end of year	31	1	32

Both subsidiary and associated companies are incorporated in Great Britain

Investments represent holdings of the ordinary share capital of the following companies

	Percentage of ordinary share capital held %	Activity
MCD (Sheepcote) Limited	100	Property development
The KEW Management Company Limited*	100	Property service and management
Management Company Three Limited*	100	Dormant
MCD (Browning) Limited	100	Property development
Browning Management Company Limited*	50	Property service and management
The Clarendon (Leamington Spa) Management Company Limited		Dormant

*held indirectly

	Capital and reserves at 28 February 2007	Profit for the financial year ended 28 February 2007
	£	£
MCD (Sheepcote) Limited	-	-
The KEW Management Company Limited	-	-
MCD (Browning) Limited	-	-
Browning Management Company Limited	-	-

Notes (continued)

9 Debtors

	2007	2006
	£	£
Trade Debtors	35,243	5,316
Amounts owed by group undertakings (see note 15)	275,214	342,780
Amounts owed by connected companies (see note 15)	-	1,821
Corporation tax recoverable	26,615	27,523
Other debtors	-	-
	<u>337,072</u>	<u>377,440</u>

10 Creditors: amounts falling due within one year

	2007	2006
	£	£
Bank overdraft (secured)	-	229,791
Trade creditors	28,682	39,947
Amounts owed to group undertakings	655,000	251,827
Corporation tax	-	-
Other taxation and social security	3,489	63,429
Other creditors	-	3,500
Accruals and deferred income	5,777	19,308
	<u>692,948</u>	<u>607,802</u>

The bank overdraft is secured by a fixed and floating charge over the assets of the company and personal guarantees from JD Corstorphine and SG Byrne

11 Share capital

	2007	2006
	£	£
<i>Authorised</i>		
2,000 ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>
<i>Allotted, called up and fully paid</i>		
1,530 ordinary shares of £1 each	<u>1,530</u>	<u>1,530</u>

Notes (continued)

12 Reserves

	Profit and Loss account £
At beginning of year	(231,859)
Loss retained for the year	<u>(117,372)</u>
At end of year	(349,231)
Other debtors	

13 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Loss for the financial year and net addition to shareholders' funds	(117,372)	(59,319)
Shareholders' funds at the beginning of the year	<u>(230,329)</u>	<u>(171,010)</u>
Shareholder's funds at the end of the year	<u>(347,701)</u>	<u>(230,329)</u>

14 Related party transactions

(a) Transactions and balances

During the year, the following are considered to be related parties of the company

MCD (Sheepcote) Limited	- a wholly owned subsidiary
MCD (Browning) Limited	- a wholly owned subsidiary
MCD (Fleet Street) Limited	- a connected company
MCD (Fleet) LLP	- a connected partnership
Urban Impact Limited	- a connected company

The following transactions and debtor/(creditor) balances arose during the year and existed at year end respectively

	Transactions to/(from)		Debtor/(creditor)	
	2007 £	2006 £	2007 £	2006 £
MCD (Sheepcote) Limited	2,700	32,272	(655,000)	(251,827)
MCD (Browning) Limited	295,805	199,413	310,457	342,780
MCD (Fleet Street) Limited	-	-	-	-
MCD (Fleet) LLP	8,065	233,532	-	587
Urban Impact Limited	-	1,050	-	1,234

Notes (continued)

14 Related party transactions (continued)

(b) Transactions with directors

During the year, Corstorphine Associates, a company controlled by JD Corstorphine and his wife, charged the company an amount of £Nil (2006 £Nil) in respect of consultancy costs and expenses incurred. At the year end, £1,995 (2006 £1,995) was owed to Midland & City Developments Limited.

During the year, City Spirit Limited, a company controlled by JD Corstorphine, had charged £Nil (2006 £393) to the company in respect of administrative costs. At the year end £Nil (2006 £Nil) was owed to Midland & City Developments Limited.

During the year, Midland & City Developments Limited, a company controlled by SG Byrne, was charged £Nil (2006 £6,426) to the company in respect of costs recharged and management fees incurred. At the year end, £Nil (2006 £5,316) was owed to Midland & City Developments Limited.

During the year, City Spirit (St Pauls) Limited, a company controlled by JD Corstorphine, charged the company an amount of £70,061 (2006 £Nil) in respect of the rent and rechargeable costs. At the year end £2,903 (2006 £Nil) was owed to City Spirit (St Pauls) Limited.

During the year, LMP Consultants Limited, a company in which SG Byrne has a 50% interest, had charged £Nil (2006 £685) to the company in respect of consultancy costs. At the year end, £Nil (2006 £Nil) was owed to LMP Consultants Limited.

15 Commitments

The company had no capital commitments contracted for which no provision had been made at the year end (2006 £Nil).

16 Contingent liabilities

The company acts as a guarantor for a bank overdraft held by a subsidiary undertaking, MCD (Browning) Limited. At 28 February 2007, the overdraft was £Nil (2006 £3,046,021).

17 Controlling parties

JD Corstorphine, SG Byrne and TK Quigley are all sole directors and joint controlling shareholders of the company.