

Company Registration No. 06454018

MGCL LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2008

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MGCL LIMITED

COMPANY INFORMATION

Directors	A. Roper P.K. Wright
Company secretary	T.M. Shaw
Company number	06454018
Registered office	Brambridge Park Garden Centre Kiln Lane Eastleigh Hampshire SO51 6HT
Auditors	BDO Novus (Audit) Limited Place du Pré Rue du Pré St Peter Port Guernsey GY1 3LL

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements of the company, which is registered in England, for the period from 14 December 2007 to 31 December 2008. The company was incorporated on 14 December 2007 as FB 51 Limited. It changed its name on 22 March 2008 to Ashover Business Centre Limited and then again on 28 March 2008 to MGCL Limited. This is the company's first set of financial statements since incorporation.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 confirm that they have complied with the above requirements in preparing the financial statements.

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 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.

Having made the requisite enquiries, so far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and the directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of this information.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of an investment holding company.

RESULTS AND DIVIDENDS

The company did not trade during the year and therefore there is no profit and loss account.

The directors do not recommend the payment of a dividend for the period.

REPORT OF THE DIRECTORS

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company is a holding company that owns 100% of the issued share capital of Matlock Garden, Waterlife & Pet Centre Limited. Matlock Garden, Waterlife & Pet Centre Limited is a property holding company. It owns the property from which the garden centre trades. No income has been received from the subsidiary company and the company's minimal management expenses have been borne by related companies.

DIRECTORS

The directors of the company who served during the period were:-

FB Director Limited	(appointed on incorporation, resigned 27 March 2008)
J.E. Tarbatt	(appointed 27 March 2008, resigned 3 April 2008)
J. Tarbatt	(appointed 27 March 2008, resigned 3 April 2008)
R.J. Tarbatt	(appointed 27 March 2008, resigned 3 April 2008)
S.J. Williams	(appointed 27 March 2008, resigned 3 April 2008)
A. Roper	(appointed 3 April 2008)
P.K. Wright	(appointed 3 April 2008)

The current directors had no interest in the share capital of the company at any time during the period.

The directors' interests in the ordinary shares of Blue Diamond Limited, the ultimate parent company at 31 December 2008 was as follows:-

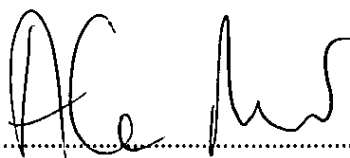
10p ordinary shares

A. Roper	1,000
P.K Wright	500

AUDITORS

A resolution to reappoint BDO Novus (Audit) Limited as auditors will be proposed at the Annual General Meeting.

Approved by the Board of Directors on 31 April 2009


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A. Roper

MGCL LIMITED**REPORT OF THE INDEPENDENT AUDITORS**

To the shareholders of MGCL Limited

We have audited the financial statements of MGCL Limited for the period from 14 December 2007 to 31 December 2008 which comprise the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out on page 6.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 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 International Standards on Auditing (UK and Ireland) 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.



MGCL LIMITED

REPORT OF THE INDEPENDENT AUDITORS

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 December 2008;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*BDO NOVUS (AUDIT) Limited***BDO NOVUS (AUDIT) LIMITED****REGISTERED AUDITORS**

Place du Pré

Rue du Pré

St Peter Port

Guernsey

21 April 2009
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BALANCE SHEET

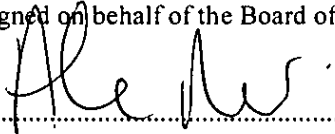
31 DECEMBER 2008

	Note	31 December 2008 £
FIXED ASSETS		
Investment in subsidiary company	3	19,508
		<hr/>
		19,508
		<hr/>
CAPITAL AND RESERVES		
Called up share capital	4	19,508
		<hr/>
SHAREHOLDERS' FUNDS	5	19,508
		<hr/>

The notes on pages 6 to 8 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 21 April 2009

and signed on behalf of the Board of Directors by


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A. Roper

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

1. INCORPORATION

These are the first financial statements of the company which was incorporated on 14 December 2007 and commenced operations on 4 April 2008.

2. ACCOUNTING POLICIES

Convention

These financial statements have been prepared in accordance with the historical cost convention. The principal accounting policies which the directors have adopted within that convention are set out below.

Investment in subsidiary company

Investments in subsidiary companies are stated at cost less any provision for impairment.

Consolidation

The company is a wholly owned subsidiary of Blue Diamond Limited, a company incorporated in Guernsey. The results of the company and its subsidiary are included within the consolidated financial statements of Blue Diamond Limited and therefore the company is exempt from the requirement to prepare group accounts. Consequently these financial statements present information about the company as an individual undertaking and not about its group.

3. INVESTMENT IN SUBSIDIARY COMPANY

At cost

Additions during the period
and at 31 December 2008

£

19,508

On 4 April the company acquired 100% of the issued share capital of Matlock Garden, Waterlife & Pet Centre Limited. Matlock Garden, Waterlife & Pet Centre Limited is a property holding company incorporated in England. For the period 4 April 2008 to 31 December 2008 Matlock Garden, Waterlife & Pet Centre Limited made a profit of £257,211 and had net assets as at 31 December 2008 of £5,689,522.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

4. CALLED UP SHARE CAPITAL

31 December
2008
£

Authorised:

19,508 ordinary shares of £1 each

19,508

Allotted, called up and fully paid:

19,508 ordinary shares of £1 each

19,508

1,000 ordinary shares of £1 each were issued on incorporation. On 20 March 2008 a special resolution was passed to increase the company's authorised share capital to £19,508 by the creation of an additional 18,508 shares of £1 each. These shares were issued to the then shareholders.

5. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

31 December
2008
£

New share capital subscribed and
closing shareholders' funds

19,508

6. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

For the period from incorporation to 3 April 2008 the company was controlled by J E Tarbatt and J Tarbatt. From 4 April 2008 the immediate parent company and controlling party, which has interests in 100% of the issued share capital of the company, is Blue Diamond Limited, a company incorporated in Guernsey. The issued share capital of Blue Diamond Limited is owned by numerous parties and therefore, in the opinion of the directors, the ultimate controlling party is Blue Diamond Limited.

In the preparation of these financial statements the directors have taken advantage of the exemption under Financial Reporting Standard No. 8 - Related Party Disclosures and have not disclosed the details of related party transactions with entities that are part of the Blue Diamond Limited group or investees of that group. Copies of the group financial statements are available from Blue Diamond Limited, PO Box 350, St Peter Port, Guernsey, GY1 3XA.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

7. CONTINGENT LIABILITY

In consideration for making available to the Blue Diamond Limited group loan and overdraft facilities of up to £19,500,000, The Royal Bank of Scotland International Limited (trading as NatWest) has requested that a composite cross guarantee structure be established.

Accordingly, the following Blue Diamond Limited group companies have entered into such cross guarantees:-

B.D. Properties Limited	Goodies Limited
BDL No 1 Limited	MGCL Limited
BDL No 2 Limited	Matlock Garden, Waterlife & Pet Centre Limited
Blue Diamond Limited	Olympus Sportswear (Guernsey) Limited
Blue Diamond Trading Limited	St Martins Garden & Pet Centre Limited
Blue Diamond UK Limited	St. Peters Furniture Centre Limited
Fruit Export Company Limited	St. Peters Garden Centre Limited

In the opinion of the directors no loss to the company is likely to arise as a result of these guarantees.

8. CASH FLOW STATEMENT

The company is a wholly owned subsidiary of Blue Diamond Limited and is included in the consolidated financial statements of that company. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No.1.