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MORJACK DEVELOPMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 28 February 2007

COMPANY NO: NI 42595



MORJACK DEVELOPMENTS LIMITED

DIRECTORS

J Fearon (resigned 31.3.06)
Nick Lord (resigned 12.5.06)
Alan Campbell Jackson
David I Logue (appointed 1.6.06)
Mark Ross (appointed 1.6.06, resigned 7.11.06)
David G Pople (appointed 7.11.06, resigned 27.4.07)
John A Hope (appointed 27.4.07)

COMPANY SECRETARY

Geoffrey AG Shepherd

AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and
Registered Auditors
Erskine House
68-73 Queen Street
EDINBURGH
EH2 4NH

BANKERS

Bank of Scotland
St Andrew Square
EDINBURGH

SOLICITORS

L'Estrange & Brett
7 & 9 Chichester Street
BELFAST
BT1 4JG

REGISTERED OFFICE

McGrigors
2 Donegall Square East
BELFAST
BT1 5HB

CONTENTS

PAGE

Directors' Report	2-3
Auditors' Report	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7-9

MORJACK DEVELOPMENTS LIMITED

DIRECTORS' REPORT

For the year ended 28 February 2007

The Directors submit their report and audited financial statements for the year ended 28 February 2007.

Principal Activities

The company's principal activity during the year was the development of residential property for sale. No further trading is anticipated and the directors intend that the company will be wound up in the near future.

Business review and future developments

The company's profit for the year to 28 February 2007 was £nil (2006: £nil). The directors do not recommend the payment of a dividend (2006: £nil).

Directors and their Interest

The directors who held office during the year and up to the date of the report are disclosed on page 1.

No Director has any direct financial interest in the share capital of the company.

Statement of 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
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

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 (Northern Ireland) Order 1986. They are also responsible for safeguarding the company's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MORJACK DEVELOPMENTS LIMITED

DIRECTORS' REPORT (continued)

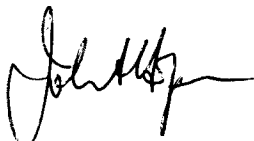
For the year ended 28 February 2007

Auditors and disclosure of information to auditors

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make them selves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The company's auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the Annual General meeting.

On behalf of the Board



J A Hope
Director

2 April 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MORJACK DEVELOPMENTS LIMITED

We have audited the financial statements of Morjack Developments Limited for the year ended 28 February 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with the Companies (Northern Ireland) Order 1986 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 (Northern Ireland) Order 1986. 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2007 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Edinburgh

2 April 2008

MORJACK DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 28 February 2007

	Notes	2007 £	2006 £
Turnover	3	363,227	281,773
Cost of Sales		<u>(363,227)</u>	<u>(281,773)</u>
Profit on ordinary activities before taxation	4	-	-
Taxation		<u>-</u>	<u>-</u>
Retained loss for the year		<u>-</u>	<u>-</u>

STATEMENT OF RETAINED PROFITS

	2007 £	2006 £
Opening balance	-	-
Retained loss for the year	<u>-</u>	<u>-</u>
Balance at 28 February 2007	<u>-</u>	<u>-</u>

The company has no recognised gains or losses other than the results above and therefore no separate statement of total recognised gains and losses has been presented.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historic cost equivalents.

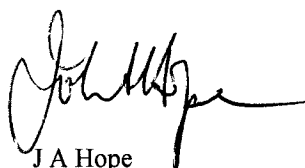
MORJACK DEVELOPMENTS LIMITED


BALANCE SHEET

As at 28 February 2007

	Notes	2007 £	2006 £
Current Assets			
Work in progress		-	252,924
Debtors	5	185,002	70,931
Bank		<u>100,391</u>	<u>-</u>
		285,393	323,855
 Creditors: amounts falling due within one year	6	<u>(285,391)</u>	<u>(323,853)</u>
 Net Assets		<u>2</u>	<u>2</u>
 Capital and Reserves			
Share Capital	7	2	2
Profit and Loss account		<u>-</u>	<u>-</u>
 Total Equity Shareholders' Funds	8	<u>2</u>	<u>2</u>

The financial statements on pages 5 to 9 were approved by the directors on 2 April 2008.


J A Hope
Director


A Jackson
Director

MORJACK DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 February 2007

1 Basis of Accounting

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The company has taken advantage of the exemption from preparing cash flow statements conferred by Financial Reporting Statement No 1 on the grounds that it is entitled to the small company exemption available under Articles 254 of the Companies (Northern Ireland) Order 1986. A summary of the more important accounting policies is set out below.

2 Principal Accounting Policies

(a) Accounting Convention

The financial statements have been prepared under the historical cost accounting convention.

(b) Work In Progress

Work in progress is stated as the lower of cost and net realisable value. Cost comprises direct expenditure and production overheads incurred in the normal course of business. Net realisable value is the estimated selling price less all costs incurred. Provision is made for all foreseeable losses. The amount of interest capitalised in work in progress during the year was £3,483 (2006: £16,721).

(c) Deferred Taxation

Deferred taxation is provided in respect of all timing differences that have originated but not reversed by the balance sheet date, where there is an obligation to pay more or less tax in the future as a result of the reversal of those timing differences.

3 Turnover

Turnover in the year is wholly attributable to sales within the UK and is recognised for a property sale when the legal contracts are completed.

4 Profit on Ordinary Activities before Taxation

This is stated after charging:

	2007	2006
	£	£
Auditors remuneration	<u>3,000</u>	<u>3,000</u>

This fee has been capitalised within work in progress during the year.

No directors' remuneration was paid or is payable (2006: £nil). The company has no directly employed personnel (2006: nil).

5 Debtors

	2007	2006
	£	£
Amounts due within one year	2	70,039
VAT debtor	-	892
Trade debtors	<u>185,000</u>	-
	<u>185,002</u>	<u>70,931</u>

Amounts due from shareholders bear no interest and are payable on demand.

MORJACK DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 28 February 2007

6 Creditors: amounts falling due within one year

	2007	2006
	£	£
Amounts due to shareholders	185,788	-
Accruals	85,379	237,216
Retentions	13,875	13,875
Bank overdraft	-	72,762
VAT creditor	349	-
	<u>285,391</u>	<u>323,853</u>

The bank overdraft attracted interest at normal commercial terms. It is secured with a bond and floating charge and standard securities over the company's assets. AWG plc has granted a capital guarantee over the banking facilities of Morjack Developments Limited. The maximum capital guarantee in place at the year end is £350,000.

7 Share Capital

As at 28 February 2006 and 2007

	£
Authorised	
1 'A' ordinary shares of £1 each	1
1 'B' ordinary shares of £1 each	<u>1</u>
	<u>2</u>
Alloted, Called Up and Nil Paid	
1 'A' ordinary share of £1	1
1 'B' ordinary share of £1	<u>1</u>
	<u>2</u>

Both "A" and "B" shares have the same voting rights and rank pari passu as set out in the Memorandum and Articles of Association of the company.

8 Movement in equity shareholders' funds

	2007	2006
	£	£
Opening equity shareholders' funds	2	2
Result for the year	<u>-</u>	<u>-</u>
Closing equity shareholders' funds	<u>2</u>	<u>2</u>

MORJACK DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 28 February 2007

9 Related Party Transactions

Ajax Properties Limited and AWG Residential Finance (Ireland) Limited jointly control the company. The ultimate controlling party of AWG Residential Finance (Ireland) Limited is Osprey Holdco Limited who has provided certain bank guarantees in respect of the company's borrowings (note 6).

A retention of £13,875 is due to Ajax Properties Limited at the year end (2006: £13,875). At the year end the sum of £nil (2006: £70,037) was due from Ajax Properties Limited in respect of sales monies yet to be transferred to the Company.

Included in accruals is a management fee accrual of £82,379 (2006: £232,599) due to AWG Property Limited.

At the year end a shareholder loan balance of £185,788 is due to AWG Property Limited.