



00279120

MAGELL LIMITED



FINANCIAL STATEMENTS

for the year ended 31st March 2006

**(as modified by Article 254 The Companies (Northern Ireland)
Order 1986)**

MAGELL LIMITED

DIRECTORS:

Robert J. Walker (Snr)
Robert J. Walker (Jnr)
James M. Walker (appointed 24th May 2006)

DIRECTORS REPORT

The directors have pleasure in submitting their report to the members and the accounts for the year ended 31st March 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 judgments 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 (Northern Ireland) Order 1986. 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.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of property investment.

RESULTS AND DIVIDEND

The profit for the year amounted to £6,214,501 as shown in the profit and loss account on page 7.

The property known as Cameron Toll Retail Park was sold during the year. Rental income and interest charges are consequentially substantially reduced from the previous year. However, consistent returns from the retained properties contributed to a level of profit similar to previous years.

MAGELL LIMITED

DIRECTORS

The interest of the directors in the shares of the company is as follows:

	Number of £1 Ordinary Shares	
	2006	2005
Mr. R.J. Walker (Jnr)	1	1
Mr. J.M. Walker	1	1
	---	---
	2	2
	==	==

FIXED ASSETS

Changes in the company's fixed assets are shown in note 1 to these accounts.

AUDITORS

A resolution proposing the re-appointment of Stevenson and Wilson as auditors will be put to the forthcoming annual general meeting in accordance with Article 392 (1) The Companies (Northern Ireland) Order 1986.

BY ORDER OF THE BOARD

Thomas. J. Young

Secretary

MAGELL LIMITED

Full financial statements for shareholders for the year ended 31st March 2006 were approved by the Board of Directors on 26th January 2007. The directors have prepared the attached financial statements for the year ended 31st March 2006 in compliance with The Companies (Northern Ireland) Order 1986 for filing with the Registrar of Companies.

INDEPENDENT AUDITORS REPORT

In our opinion the company satisfied the requirements of Article 245 of The Companies (Northern Ireland) Order 1986 for exemption as a medium sized company in respect of the year ended 31st March 2006 and in particular the modified financial statements have been properly prepared in accordance with Schedule 8 of the Act. We are not required to express an audit opinion on truth and fairness of the modified financial statements.

We reported as auditors of MAGELL LIMITED to the members on 26th January 2007 on the company's financial statements prepared under Article 245 of The Companies (Northern Ireland) Order 1986 for the year ended 31st March 2006 and our audit opinion was as follows:

We have audited the financial statements of MAGELL LIMITED for the year ended 31st March 2006 which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of investment properties) and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 (Northern Ireland) Order 1986. 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 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.

MAGELL LIMITED

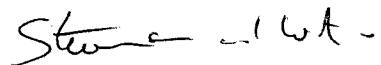
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluate 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 31st March 2006 and of its profit for the year then ended and have been properly prepared in accordance with The Companies (Northern Ireland) Order 1986.

26th January 2007

22 Broadway Avenue,
BALLYMENA.


REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

MAGELL LIMITED

ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The accounts are prepared on the historical cost basis of accounting, modified by the revaluation of investment properties.

2. TURNOVER

Turnover represents total rental income for the accounting period excluding value added tax.

3. PROFIT FOR THE YEAR

Profit for the year is stated after writing off revenue costs as incurred. Interest payable on loans to finance developments or capital projects is written off as it accrues.

4. VALUATION OF PROPERTY

Investment properties are stated at market valuation at the balance sheet date. Any surplus or deficit arising from revaluation is transferred to revaluation reserve except that any shortfall against original cost will be transferred to profit and loss account when identified.

5. DEPRECIATION

No depreciation is provided in respect of freehold or long leasehold investment property or land.

Other fixed assets are depreciated at rates calculated to reduce them to residual value at the end of their expected normal lives on a straight line basis as follows:

Office equipment	25%
------------------	-----

6. DEFERRED TAX

Deferred taxation is accounted for on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

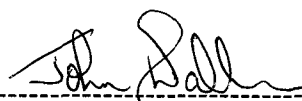
MAGELL LIMITED

BALANCE SHEET AS AT 31st MARCH 2006

		2006	2005
	Notes	£	£
FIXED ASSETS			
Investment properties	1	38,123,085	121,822,916
Office equipment	2	32,474	3,376
		-----	-----
		38,155,559	121,826,292
		-----	-----
CURRENT ASSETS			
Cash at bank and in hand		-	1,620,921
Debtors	3	-	32,945
		-----	-----
		-	1,653,866
		-----	-----
CURRENT LIABILITIES			
Bank overdraft		502,354	-
Other creditors		1,970	43,038
Accruals		316,810	1,355,830
		-----	-----
		821,134	1,398,868
		-----	-----
NET CURRENT ASSETS/(LIABILITIES)		(821,134)	254,998
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		37,334,425	122,081,290
		=====	=====
CREDITORS (due after one year)	4	23,265,517	108,142,252
		-----	-----
CAPITAL AND RESERVES			
Called-up share capital	5	2	2
Revaluation reserve	6	7,406,436	13,491,067
Profit and loss account		6,662,470	447,969
		-----	-----
SHAREHOLDERS' FUNDS		14,068,908	13,939,038
		-----	-----
		37,334,425	122,018,290
		=====	=====

We have relied on the exemptions for individual accounts contained in part 1 of Schedule 8 of The Companies (Northern Ireland) Order 1986 on the grounds that the company is entitled to benefit of these exemptions as a medium sized company.

Approved by the Board on 29th January 2007:


 ----- Director

The notes on pages 10 to 13 form part of these accounts.

MAGELL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2006

		2006	2005
	Notes	£	£
Gross Profit		4,156,012	7,364,866
Profit on sale of investment property		5,466,484	7,113
		-----	-----
		9,622,496	7,371,979
Other operating charges		510,469	189,473
Depreciation		5,109	1,688
		-----	-----
		9,106,918	7,180,818
Interest received		6,652	23,014
Interest payable		(2,899,069)	(6,471,197)
		-----	-----
Profit on ordinary activities before taxation	7	6,214,501	732,635
Taxation	8	-	-
		-----	-----
NET PROFIT FOR THE FINANCIAL YEAR		6,214,501	732,635
		=====	=====
REVENUE RESERVES			
Balance 31st March 2005		447,969	(284,666)
Profit for the year		6,214,501	732,635
		-----	-----
Balance 31st March 2006		6,662,470	447,969
		=====	=====

All turnover derives from continued UK operations.

The notes on pages 10 to 13 form part of these accounts.

MAGELL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2006

		2006	2005
	Notes	£	£
Net cash inflow from operating activities	10	4,324,000	13,904,012
		-----	-----
<u>Returns on investments and servicing of finance:</u>			
Interest received and similar income		6,652	23,014
Interest paid		(2,899,069)	(6,471,197)
		-----	-----
		(2,892,417)	(6,448,183)
		-----	-----
		1,431,583	7,455,829
		-----	-----
Investing activities:			
Expenditure on investment property		(1,418,316)	(483,428)
Payments to acquire tangible fixed assets		(34,207)	-
Disposal of property		84,500,000	1,100,000
		-----	-----
Net cash inflow from investing activities		83,047,477	616,572
		-----	-----
		84,479,060	8,072,401
		-----	-----
Financing:			
Repayments of bank loans		(86,602,335)	(8,421,445)
		-----	-----
Net cash outflow from financing		(86,602,335)	(8,421,445)
		-----	-----
Increase/(decrease) in cash and cash equivalents	12	(2,123,275)	(349,044)
		=====	=====

The notes on pages 10 to 13 form part of these accounts.

MAGELL LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31st MARCH 2006

	2006	2005
	£	£
Profit for the financial year	6,214,501	732,635
Less: Surpluses recognised in revaluations in prior years	(6,084,631)	(17,625)
Unrealised surplus/(deficit) on revaluation of investment property	-	(500,000)
Total gains for the year	129,870	215,010
	=====	=====

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Opening balance on shareholders' funds	13,939,038	13,724,028
Total gains for the year	129,870	215,010
Closing balance on shareholders' funds	14,068,908	13,939,038
	=====	=====

MAGELL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2006

1. FIXED ASSETS

	Freehold Investment Properties	
	2006 £	2005 £
Valuation 31st March 2005	121,822,916	122,950,000
Additions during the year	1,201,283	472,916
Disposals during the year	(84,901,114)	(1,100,000)
Revaluation during the year	-	(500,000)
	-----	-----
Valuation 31st March 2006	38,123,085	121,822,916
	=====	=====

The investment properties have been valued by the directors as at 31st March 2006. No provision has been made for corporation tax on the revaluation surplus on investment properties. At 31st March 2006 this amounted to approximately £943,000 (2005: £1,544,000).

The directors have adopted the appropriate accounting standard in departing from the otherwise specific requirement to provide depreciation on any fixed assets which has a limited useful economic life. If depreciation had been charged on the original cost of the property at the rate of 4% per year using the straight line method, the charge to the profit and loss account in the year would have been £1,228,666 (2005: £4,333,159).

2. FIXED ASSETS - OFFICE EQUIPMENT

	Plant and Machinery	Office Equipment	Total
	£	£	£
Cost 31st March 2005	-	6,752	6,752
Additions	34,207	-	34,207
	-----	-----	-----
Cost 31st March 2006	34,207	6,752	40,959
	-----	-----	-----
Depreciation 31st March 2006	-	3,376	3,376
Depreciation for the year	3,421	1,688	5,109
	-----	-----	-----
Depreciation 31st March 2006	3,421	5,064	8,485
	-----	-----	-----
Net Book Value 31st March 2006	30,786	1,688	32,474
	=====	=====	=====
Net Book Value 31st March 2005	-	3,376	3,376
	====	====	====

MAGELL LIMITED

NOTES TO THE ACCOUNTS (continued)

3. DEBTORS	2006	2005
	£	£
Rent due	-	32,945
	-----	-----
	-	32,945
	=====	=====

4. CREDITORS (Due after one year)	2006	2005
	£	£
Bank loans	14,979,996	101,582,331
Directors current account	1,519,036	2,275,218
Intercompany balance	6,766,485	4,284,703
	-----	-----
	23,265,517	108,142,252
	=====	=====
Due after five years	23,265,517	108,142,252
	=====	=====

Bank loans are secured on the company's investment properties.

5. CALLED-UP SHARE CAPITAL	2006	2005
	£	£
Authorised:		
100,000 ordinary shares of £1 each	100,000	100,000
	=====	=====
Allotted, called-up and fully paid:		
2 ordinary shares of £1 each	2	2
	==	==

MAGELL LIMITED

NOTES TO THE ACCOUNTS (continued)

6. REVALUATION RESERVES - TANGIBLE ASSETS	2006	2005
	£	£
Revaluation at 31st March 2005	13,491,067	14,008,692
Revaluation during the year	-	(500,000)
Disposals during the year	6,084,631	(17,625)
	-----	-----
Balance 31st March 2006	7,406,436	13,491,067
	=====	=====

No provision has been made for corporation tax on the revaluation reserve on investment properties. If a provision had been made at 31st March 2006 this would have amounted to approximately £943,000.

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2006	2005
	£	£
Profit is stated after charging:		
Auditors remuneration	14,500	9,000
Bank interest payable	2,899,069	6,471,074

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

There is no liability to corporation tax due to the availability of losses.

9. DIVIDEND

The directors have not recommended payment of a dividend.

10. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2006	2005
	£	£
Operating profit before interest	9,106,918	7,180,818
Depreciation	5,109	1,688
Profit on disposal of investment property	(5,466,484)	(7,113)
(Increase)/decrease in debtors	32,945	3,161,282
Increase in creditors	645,512	3,567,337
	-----	-----
	4,324,000	13,904,012
	=====	=====

MAGELL LIMITED

NOTES TO THE ACCOUNTS (continued)

11. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	2006	2005
	£	£
Balance at 1st April 2005	1,620,921	1,969,965
Net cash outflow	(2,123,275)	(349,044)
	-----	-----
Balance at 31st March 2006	(502,354)	1,620,921
	=====	=====

12. ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	2006	2005	Change in Year
	£	£	£
Cash at bank and in hand	-	1,620,921	(1,620,921)
Bank overdraft (excluding bank loans)	(502,354)	-	(502,354)
	-----	-----	-----
	(502,354)	1,620,921	(2,123,275)
	=====	=====	=====

13. CAPITAL COMMITMENTS

There were no capital commitments at the balance sheet date.

14. RELATED PARTY TRANSACTIONS

Included in creditors due after one year is an amount of £6,766,485 due from Robert John Walker, an unlimited company controlled by Mr R J Walker (2005: £4,284,703).