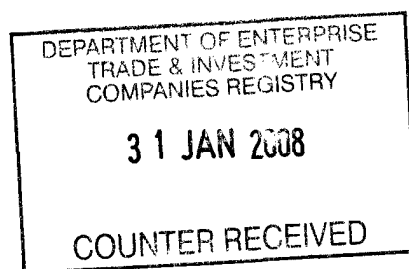




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Registration number: NI33711

MAGELL LTD
DIRECTORS' REPORT AND ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2007



**INDEPENDENT AUDITORS' REPORT TO
MAGELL LTD
UNDER ARTICLE 255B OF THE COMPANIES (NORTHERN
IRELAND) ORDER 1986**

We have examined the abbreviated accounts of Magell Ltd, set out on pages 3 to 12, together with the financial statements of the company for the year ended 31 March 2007 prepared under Article 234 of the Companies (Northern Ireland) Order 1986.

This report is made solely to the company, in accordance with Article 255B of the Companies (Northern Ireland) Order 1986. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

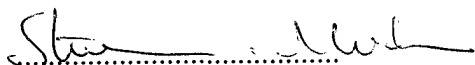
The directors are responsible for preparing the abbreviated accounts in accordance with 254A of the Companies (Northern Ireland) Order 1986. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with 254A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Article 254A(3) of the Companies (Northern Ireland) Order 1986, and the abbreviated accounts on pages 4 to 13 are properly prepared in accordance with those provisions.



Stevenson and Wilson
Chartered Accountants and Registered
Auditors

29 January 2008

22 -30 Broadway Avenue
Ballymena
BT43 7AA

MAGELL LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007

The directors present their report and the audited financial statements for the year ended 31 March 2007.

Principal activity and business review

The principal activity of the company is property investment.

The directors consider that the results for the year and the financial position at the end of the year were satisfactory.

Post balance sheet events

No events have occurred since the year end which require reporting or disclosing in the financial statements.

Results and dividend

The profit for the year amounted to £920,584 as shown in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend.

Fixed assets

In the opinion of the directors no fixed assets have a significant difference in value between the book value reported and the market value.

Directors

The directors who held office during the year were as follows:

- Mr R J Walker (Snr)
- Mr James Walker
- Mr R J Walker

Retirement of directors

In accordance with the Articles of Association, directors are not required to retire from the board on a rotational basis.

Auditors

The auditors, Stevenson and Wilson, are deemed to be re-appointed in accordance with section 386 of the Companies (Northern Ireland) Order 1986.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007

Election to dispense laying accounts

Approved by the Board on 29 January 2008 and signed on its behalf by:

Thomas A. King

MAGELL LTD

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2007

	Note	2007 £	2006 £
Gross profit		2,726,374	4,156,012
Administrative expenses		(285,267)	4,950,906
Operating profit	2	<u>2,441,107</u>	<u>9,106,918</u>
Other interest receivable and similar income		-	6,652
Interest payable and similar charges	3	(1,520,583)	(2,899,069)
Profit on ordinary activities before taxation		<u>920,524</u>	<u>6,214,501</u>
Profit for the financial year	10	<u><u>920,524</u></u>	<u><u>6,214,501</u></u>

Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

There is no material difference between the result reported above and the result on an unmodified historical cost basis.

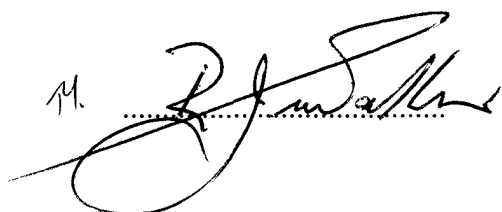
MAGELL LTD

ABBREVIATED BALANCE SHEET AS AT 31 MARCH 2007

		2007	2006
	Note	£	£
Fixed assets			
Tangible assets	4	59,037,879	38,155,559
Current assets			
Work in progress	5	1,950,815	-
Debtors	6	<u>3,535</u>	<u>-</u>
		1,954,350	-
Creditors: Amounts falling due within one year	7	<u>(22,156,916)</u>	<u>(821,129)</u>
Net current liabilities		<u>(20,202,566)</u>	<u>(821,129)</u>
Total assets less current liabilities		38,835,313	37,334,430
Creditors: Amounts falling due after more than one year	8	<u>(23,845,881)</u>	<u>(23,265,522)</u>
Net assets		<u>14,989,432</u>	<u>14,068,908</u>
Capital and reserves			
Called up share capital	9	2	2
Revaluation reserve	10	7,406,436	7,406,436
Profit and loss reserve	10	<u>7,582,994</u>	<u>6,662,470</u>
Equity shareholders' funds	11	<u>14,989,432</u>	<u>14,068,908</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VIII of the Companies (Northern Ireland) order 1986 relating to medium-sized companies.

Approved by the Board on 29 January 2008 and signed on its behalf by:

11. 

MAGELL LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

		2007	2006
	Note	£	£
Net cash flow from operating activities	12	659,578	12,249,844
Returns on investment and servicing of finance	13	(1,520,583)	(2,892,417)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(21,493,011)	(34,207)
Sale of tangible fixed assets		<u>500,082</u>	<u>5,466,484</u>
		<u>(20,992,929)</u>	<u>5,432,277</u>
Cash (outflow)/inflow before management of liquid resources and financing		(21,853,934)	14,789,704
Financing			
Repayment of loans and borrowings		1,025,438	14,979,996
Redemption of shares		<u>-</u>	<u>2</u>
		<u>1,025,438</u>	<u>14,979,998</u>
Net cash flow		<u>(20,828,496)</u>	<u>(502,354)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

		2007	2006
	Note	£	£
Decrease in cash in the year	14	(20,828,496)	(502,354)
Cash inflow from increase in debt and lease financing		<u>(1,025,438)</u>	<u>(14,979,998)</u>
Change in net debt resulting from cash flows		<u>(21,853,934)</u>	<u>(15,482,352)</u>
Net debt at the start of the year	14	<u>(15,482,350)</u>	<u>-</u>
Net debt at the end of the year	14	<u>(37,336,284)</u>	<u>(15,482,352)</u>

MAGELL LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2007

1 ACCOUNTING POLICIES

Basis of preparation

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets.

Going concern

These financial statements have been prepared on a going concern basis.

Turnover

Turnover represents total rental income for the accounting period, net of value added tax

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.

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 normal lives as follows:

Office equipment	25% straight line basis
Plant and machinery	10% straight line basis
Motor vehicles	25% reducing balance basis

Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Deferred taxation

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 LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2007

..... continued

2 OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2007 £	2006 £
Profit on sale of tangible fixed assets	-	(5,466,484)
Depreciation of owned tangible fixed assets	110,609	5,109

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Bank interest payable	1,520,583	2,899,069

MAGELL LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2007

..... continued

6 DEBTORS

	2007 £	2006 £
Other debtors	<u>3,535</u>	<u>-</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Bank loans and overdrafts	21,330,850	502,349
Social security and other taxes	48,721	1,970
Other creditors	454,253	179,754
Accruals and deferred income	<u>323,092</u>	<u>137,056</u>
	<u>22,156,916</u>	<u>821,129</u>

8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007 £	2006 £
Bank loans and overdrafts	16,005,434	14,980,001
Other creditors	6,585,697	6,766,485
Director current accounts	<u>1,254,750</u>	<u>1,519,036</u>
	<u>23,845,881</u>	<u>23,265,522</u>

MAGELL LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2007

..... continued

9 SHARE CAPITAL

	2007 £	2006 £
Authorised		
Equity		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
Equity		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

10 RESERVES

	Revaluation reserve £	Profit and loss reserve £	Total £
Balance at 1 April 2006	7,406,436	6,662,470	14,068,906
Transfer from profit and loss account for the year	-	920,524	920,524
Balance at 31 March 2007	<u>7,406,436</u>	<u>7,582,994</u>	<u>14,989,430</u>

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit attributable to members of the company	920,524	6,214,501
Other recognised gains for the year	-	7,406,436
New share capital subscribed	-	2
Net addition to shareholders' funds	<u>920,524</u>	<u>13,620,939</u>
Opening equity shareholders' funds	14,068,908	-
Closing equity shareholders' funds	<u>14,989,432</u>	<u>14,068,908</u>

MAGELL LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2007

..... continued

12 RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	2007	2006
	£	£
Operating profit	2,441,107	9,106,918
Depreciation, amortisation and impairment charges	110,609	5,109
Profit on disposal of fixed assets	-	(5,466,484)
Increase in stocks	(1,950,815)	-
Increase in debtors	(3,535)	-
Increase in creditors	62,212	8,604,301
Net cash inflow from operating activities	<u>659,578</u>	<u>12,249,844</u>

13 ANALYSIS OF CASH FLOWS

	2007	2006
	£	£
Returns on investment and servicing of finance		
Other interest paid	(1,520,583)	(2,899,069)
Interest received	-	6,652
	<u>(1,520,583)</u>	<u>(2,892,417)</u>

MAGELL LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2007

..... continued

14 ANALYSIS OF NET DEBT

	At start of period £	Cash flow £	Other non-cash changes £	At end of period £
Bank overdraft	<u>(502,354)</u>	<u>(20,828,496)</u>	<u>-</u>	<u>(21,330,850)</u>
Debt due within one year	(14,979,996)	14,979,996	(16,005,434)	(16,005,434)
Debt due after one year	<u>-</u>	<u>(16,005,434)</u>	<u>16,005,434</u>	<u>-</u>
Change in debt	<u>(14,979,996)</u>	<u>(1,025,438)</u>	<u>-</u>	<u>(16,005,434)</u>
Net debt	<u><u>(15,482,350)</u></u>	<u><u>(21,853,934)</u></u>	<u><u>-</u></u>	<u><u>(37,336,284)</u></u>

15 RELATED PARTIES

Controlling entity

The company is controlled by the directors who own 100% of the called up share capital.

Included in creditors due after one year is an amount of £6,585,697 due from Robert John Walker, an unlimited company controlled by Mr RJ Walker (2006:£6,766,485).