Company Registration No 4787003

MILTON KEYNES DONS LIMITED

Report and Financial Statements

30 June 2010

(- 31/03/2011)

MILTON KEYNES DONS LIMITED

REPORT AND FINANCIAL STATEMENTS 2010

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MILTON KEYNES DONS LIMITED

REPORT AND FINANCIAL STATEMENTS 2010

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P J Winkelman
B Winkelman
M Turner

SECRETARY

S O'Hara

REGISTERED OFFICE

Stadium MK
Stadium Way
Milton Keynes
MK1 1ST

BANKERS

Clydesdale Bank PLC
Milton Keynes

SOLICITORS

EMW Picton Howell LLP
Milton Keynes

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Milton Keynes

MILTON KEYNES DONS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2010

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

PRINCIPAL ACTIVITY

The principal activity of the company is the operation of football and other entertainment, together with related commercial activities

BUSINESS REVIEW

The results for the year are set out on page 6

The company generated turnover of £6 3m compared to £5 6m in 2009 As with all football clubs, the challenge is to control player wages while remaining competitive The company is supported by Inter MK Group Limited which is diversifying and generating future income from a new hotel and commercial property development

SUBSEQUENT EVENTS

On 28 January 2011 Inter MK Group Limited agreed new financing facilities with Clydesdale Bank Plc Included in the funding is a £5 5m term loan, which is in place to meet the working capital requirements of the Group This term loan is repayable in July 2012 and replaces the £4 25m revolver facility

GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future

Thus they continue to adopt the going concern basis in preparing these annual financial statements Further information regarding the adoption of the going concern basis is provided in Note 1 to the financial statements

DIRECTORS

The directors in office throughout the year are listed below

P J Winkelman
B Winkelman
M Turner

DIRECTORS' RESPONSIBILITIES STATEMENT

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) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

MILTON KEYNES DONS LIMITED

DIRECTORS' REPORT (continued)

AUDITOR

Each of the persons who is a director at the date of approval of this annual report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditor A resolution to reappoint them as auditor will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board

P Winkelman

Chairman

31 MARCH 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILTON KEYNES DONS LIMITED

We have audited the financial statements of Milton Keynes Dons Limited for the year ended 30 June 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to 22 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 and 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 auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILTON KEYNES DONS LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

Robert Knight (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Milton Keynes, United Kingdom

31 March 2011

MILTON KEYNES DONS LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 30 June 2010

	Note	2010 Operations (excluding player amortisation and trading) £	2010 Player amortisation and trading £	2010 Total £	2009 Operations (excluding player amortisation and trading) £	2009 Player amortisation and trading £	2009 Total £
TURNOVER	1	6,263,658	86,084	6,349,742	5,620,236	26,804	5,647,040
Operating expenses		(7,710,509)	(70,375)	(7,780,884)	(7,570,994)	(145,707)	(7,716,701)
OPERATING (LOSS) PROFIT	2	(1,446,851)	15,709	(1,431,142)	(1,950,758)	(118,903)	(2,069,661)
Profit on disposal of player registrations		-	482,000	482,000	-	860,000	860,000
(LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		(1,446,851)	497,709	(949,142)	(1,950,758)	741,097	(1,209,661)
Interest payable and similar charges	4			-			(25,554)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION				(949,142)			(1,235,215)
Tax on loss on ordinary activities	5			-			-
LOSS FOR THE FINANCIAL YEAR	14			(949,142)			(1,235,215)

All activities derive from continuing operations

There were no recognised gains or losses other than the loss for the financial year and the preceding financial year Accordingly, no statement of total recognised gains and profits is given

MILTON KEYNES DONS LIMITED

BALANCE SHEET
30 June 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Intangible assets	6	155,067	875
Tangible assets	7	540,660	602,568
Investments	8	-	-
		695,727	603,443
CURRENT ASSETS			
Stocks	9	20,639	-
Debtors	10	1,591,208	1,387,684
Cash at bank and in hand		1,193	962,124
		1,613,040	2,349,808
CREDITORS amounts falling due within one year	11	(10,042,058)	(9,739,530)
NET CURRENT LIABILITIES		(8,429,018)	(7,389,722)
TOTAL ASSETS LESS CURRENT LIABILITIES		(7,733,291)	(6,786,279)
PROVISIONS FOR LIABILITIES	12	(278,574)	(276,444)
NET LIABILITIES		(8,011,865)	(7,062,723)
CAPITAL AND RESERVES			
Called up share capital	13	2,000,000	2,000,000
Profit and loss account	14	(10,011,865)	(9,062,723)
SHAREHOLDERS' DEFICIT	15	(8,011,865)	(7,062,723)

The financial statements of Milton Keynes Dons Limited, registered number 4787003, were approved by the Board of Directors and authorised for issue on 31 MARCH 2011

Signed on behalf of the Board of Directors

P Winkelman

Director

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

1. ACCOUNTING POLICIES

The principal accounting policies adopted are summarised below They have been applied consistently throughout the year and preceding year

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards

Going concern

The Company is wholly reliant on the financial support of its parent company, Inter MK Group Limited The Company has received an undertaking from Inter MK Group Limited that it will continue to provide financial support for the Company for at least 12 months from the date of these financial statements

The Inter MK Group continues to be reliant on bank financing Subsequent to the year end the Group faced a very challenging economic environment which resulted in lower than expected match day attendances and reduced gate receipts for the football club

In January 2011, the bank financing was renegotiated in response to the Group's requirement for additional capital and to set revised financial covenants As a result, the Group's bank borrowings have increased from £20m as at 30 June 2010 to £22m as at 31 March 2011 As part of this restructuring, the £4 5m revolving credit facility was replaced with a £5 5m term loan which is repayable July 2012

The directors have taken a number of actions to reduce the operating losses of the Group In January 2010, as part of an ongoing review of cost control, the wage bill of Milton Keynes Dons Limited was significantly reduced The Group has conditionally agreed the sale and development of a proposed retail site Based on current estimates, the successful completion of this sale and development would enable the Group to repay a significant amount of its bank financing with a resultant reduction in ongoing interest cost for the Group If required, the Group also has other commercial assets which could potentially be sold in relatively short time periods in order to reduce debts and provide additional working capital

The directors have prepared forecasts through to 30 June 2012 which show that the Group is able to operate within its existing facilities However, the directors recognise that the future trading performance of the business remains uncertain and that if trading falls below forecast levels, the directors will need to consider various options available to ensure the Group can continue to operate within its cash and covenant headroom

On the basis of the above, and after having made appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing these annual financial statements

Cash flow statement

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

Related party transactions

As 100% of the company's voting rights are controlled within the group headed by Inter MK Group Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group

Group accounts

The company has taken advantage of Section 400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned (indirect) subsidiary of Galapagos NV, which prepares group accounts These financial statements therefore present information about the company and not about its group

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life This period is considered to be 20 years

1. ACCOUNTING POLICIES (continued)

Player registrations (within intangible fixed assets)

The costs of obtaining players' registrations are capitalised and amortised evenly over the period of the associated player's contract Provision is made where, in the opinion of the directors, an impairment of the carrying value of the players' registrations has occurred Potential future registration fees, contingent on certain conditions agreed in the registration contracts with the selling company, are disclosed as contingent liabilities (see note 16)

Turnover

Turnover represents income receivable, net of VAT, from football and related commercial activities All turnover in the current year and preceding year was derived in the United Kingdom

Gate and other match/event day revenue is recognised over the period of the football season as games are played and events are staged Sponsorship and similar commercial income is recognised over the duration of the respective contracts The fixed element of broadcasting revenues is recognised over the duration of the football season whilst facility fees for live coverage or highlights are taken when earned Merit awards are accounted for only when known at the end of the financial period

Tangible fixed assets

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Land and buildings	5 years
Office equipment	3 years
Plant and machinery	5 years
Motor vehicles	5 years

Investments

Investments are stated at cost less provision for impairment

Stocks

Stocks, which comprise goods for resale, are stated on a first in, first out basis at the lower of cost and net realisable value

Signing on fees

Signing on fees are recognised evenly over the period covered by the players' contracts

Leases

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

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered Deferred tax assets and liabilities are not discounted

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

1. ACCOUNTING POLICIES (continued)

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Pensions

The company contributes to the Football League Limited Pension and Life Assurance Scheme for certain former employees, the assets of which are held separately from those of the company in independently administered funds The company is not able to identify its share of the assets and liabilities of the scheme and therefore accounts for the scheme as a defined contribution scheme, in accordance with FRS 17 'Retirement benefits' The pension cost charges represent contributions payable by the company during the year towards an actuarial deficit on the scheme, and a provision for the future settlement of the deficit in the Scheme, as advised by the Trustees (see note 17)

Grants

Grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned

2. OPERATING (LOSS) PROFIT

Operating (loss) profit is after charging:	2010 £	2009 £
Depreciation		
Owned assets	220,577	182,696
Amortisation of players' registrations	70,375	133,924
The analysis of auditor's remuneration is as follows		
Fees payable to the company's auditor for the audit of the company's annual accounts	6,000	6,000

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

None of the directors received any remuneration in respect of their services to the company in either year The company does not contribute to any pension arrangements in favour of the directors

	2010 No	2009 No
The average number of employees of the company during the year were:		
Full-time playing, training and management	46	47
Administration and commercial	33	32
	79	79

In addition to the above, the company employs an average of 150 (2009 - 150) temporary staff on match days

Staff costs incurred during the year in respect of all employees were:	£	£
Wages and salaries	4,147,951	3,959,862
Social security costs	470,001	437,591
Other pension costs (see note 17)	82,126	-
	4,700,078	4,397,453

The other pension costs above relates to payments made in relation to the service of past employees (see note 17) and excludes the utilisation of provisions made in this respect (see note 12)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
Bank interest and charges	-	25,554

5. TAX ON LOSS ON ORDINARY ACTIVITIES

(a) Analysis of charge for the year

	2010 £	2009 £
Current tax		
United Kingdom corporation tax at 28% (2009 - 28%) based on the results for the year	-	-
Total current tax charge	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Tax on loss on ordinary activities	-	-

(b) Factors affecting tax charge for the year

The tax assessed for the year differs to the amount resulting from applying the standard rate of corporation tax in the UK of 28% (2009 - 28%) The differences are explained below

	2010 £	2009 £
Loss on ordinary activities before tax	(949,142)	(1,235,215)
Tax on loss on ordinary activities at standard rate	(265,760)	(345,860)
Factors affecting charge for the year		
Expenses not deductible for tax purposes	28,596	37,499
Depreciation in excess of capital allowances	60,959	51,155
Other short term timing differences	29,443	(3,457)
Tax losses not recognised	146,762	260,663
Total actual amount of current tax	-	-

The elements of deferred tax, not recognised are as follows

	2010 £	2009 £
Accelerated capital allowances	143,517	86,930
Other short term timing differences	62,048	32,605
Tax losses	1,030,029	883,267
Deferred tax asset (not recognised)	1,235,594	1,002,802

5. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

(a) Factors affecting tax charge for future years

The deferred tax asset has not been recognised on the basis that, in the directors' opinion, there is not sufficient certainty that taxable profits will be available in the foreseeable future against which to utilise these tax losses

On 23 March 2011 the Government announced that the main rate of corporation tax would reduce to 26% with effect from 1 April 2011, with subsequent 1% reductions per annum to reach 23% with effect from 1 April 2014 These tax rate reductions had not been substantively enacted at the balance sheet date and therefore have not been reflected in the financial statements The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted

6. INTANGIBLE FIXED ASSETS

	Goodwill	Player registrations	Total
	£	£	£
Cost			
At 1 July 2009	234,333	283,667	518,000
Additions	-	262,600	262,600
Disposals	-	(186,067)	(186,067)
At 30 June 2010	234,333	360,200	594,533
Amortisation			
At 1 July 2009	234,333	282,792	517,125
Charge for the year	-	108,408	108,408
Eliminated on disposals	-	(186,067)	(186,067)
At 30 June 2010	234,333	205,133	439,466
Net book value			
At 30 June 2010	-	155,067	155,067
At 30 June 2009	-	875	875

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

7 TANGIBLE FIXED ASSETS

	Land and buildings £	Office equipment £	Plant and machinery £	Motor vehicles £	Total £
Cost					
At 1 July 2009	237,599	79,008	708,215	-	1,024,822
Additions	21,657	21,348	65,593	50,071	158,669
At 30 June 2010	259,256	100,356	773,808	50,071	1,183,491
Depreciation					
At 1 July 2009	140,573	25,833	255,848	-	422,254
Charge for the year	48,109	15,740	149,188	7,540	220,577
At 30 June 2010	188,682	41,573	405,036	7,540	642,831
Net book value					
At 30 June 2010	70,574	58,783	368,772	42,531	540,660
At 30 June 2009	97,026	53,175	452,367	-	602,568

8. INVESTMENTS

	Subsidiary undertakings £
Cost	
At 1 July 2009 and 30 June 2010	3,000
Provision for impairment	
At 1 July 2009 and 30 June 2010	3,000
Net book value	
At 30 June 2009 and 30 June 2010	-

The following are the subsidiary undertakings of the company

Subsidiary undertaking	Country of incorporation	Description of shares held	Business activity	Proportion of nominal value of shares held by the company
Milton Keynes City Football Club Limited	United Kingdom	Ordinary £1 shares	Non-trading	100%
Milton Keynes Football Club Limited	United Kingdom	Ordinary £1 shares	Non-trading	100%

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

9. STOCKS

	2010 £	2009 £
Merchandising stock	20, 639	-

There is no material difference between the balance sheet value of stocks and their replacement cost

10 DEBTORS

Amounts falling due within one year	2010 £	2009 £
Trade debtors	1,320,487	1,233,068
Amounts owed by Group Companies	84,734	48,212
Other debtors	84,614	6,215
Prepayments and accrued income	101,373	100,189
	1,591,208	1,387,684

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade creditors	512,692	537,906
Amounts owed to Group Companies	7,273,572	7,322,633
Taxation and social security	432,849	208,626
Other creditors	96,494	14,424
Accruals and deferred income	1,726,451	1,655,941
	10,042,058	9,739,530

12. PROVISIONS FOR LIABILITIES AND CHARGES

	Pension scheme £	Deferred grants £	Total £
Other provisions			
At 1 July 2009	116,448	159,996	276,444
Charged to profit and loss account	116,822	-	116,822
Amounts utilised in year	(34,696)	(79,996)	(114,692)
At 30 June 2010	198,574	80,000	278,574

The amount provided under pension schemes relates to a share of a Football League pension scheme deficit attributable to the company - see note 17 The actuarial deficit is now being settled through monthly contributions up to 2016 The deferred grant relates to grants received towards the stadium and related safety equipment

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

13. CALLED UP SHARE CAPITAL

	2010	2009
	£	£
Called up, allotted and fully paid		
2,000,000 ordinary shares of £1 each	2,000,000	2,000,000

14. PROFIT AND LOSS ACCOUNT

	£
At 1 July 2009	(9,062,723)
Loss for the financial year	(949,142)
At 30 June 2010	(10,011,865)

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2010	2009
	£	£
Loss for the financial year	(949,142)	(1,235,215)
Net increase in shareholders' deficit	(949,142)	(1,235,215)
Opening shareholders' deficit	(7,062,723)	(5,827,508)
Closing shareholders' deficit	(8,011,865)	(7,062,723)

16 CONTINGENT LIABILITIES AND ASSETS

Player registration fees

At the year end, additional transfer fees payable of £nil (2009 - £nil) will arise contingent upon certain contractual events occurring after the year end, such as players making specific numbers of appearances and gaining international honours

Similarly, additional fees of up to £100,000 (2009 - £810,000) may become receivable should certain contingent events occur in respect of players already sold by the year end No amounts have been recognised in these financial statements in respect of these fees

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

17. PENSION SCHEME

Certain former staff of the company are members of the Football League Limited Pension and Life Assurance Scheme ('FLLPLAS') comprising both defined benefit (suspended from 31 August 1999) and defined contribution sections The company makes no contributions to any scheme in respect of current employees

Following a review of the Minimum Funding Requirement ('MFR') of the FLLPLAS, accrual of benefits of the final salary section of the scheme was suspended as at 31 August 1999 In light of the exceptional circumstances affecting the scheme, the trustees of the scheme commissioned an independent actuary's report on the MFR position and a substantial deficit was identified Under the Pensions Act 1985, participating employers will be required to contribute to the deficiency The Club was advised that a basis of apportionment of the deficit had been approved by the trustees and their advisers, although in practice there are a number of important issues which remain that could impact on the final quantification of this liability The amounts below therefore represent the directors' best estimate The remaining amount payable on the allocation notified to the company on 3 April 2006, in respect of the actuarial deficit calculated as at 31 August 2005, is £149,495 and accordingly a provision for this amount was made in the financial statements (see note 12)

An amount of £34,696 (2009 - £12,346) was utilised against this provision in the year and the provided amount is now £198,574 (2009 - £116,448)

18. COMMITMENTS

There are no commitments as at the end of the financial year (2009 - nil)

19. GUARANTEES

As at the balance sheet date, there were cross guarantees in place between the company and the other entities that form part of the Inter MK Group Limited, as part of the group's financing arrangements The financing is secured on substantially all of the assets of the company and group

20. ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP OF WHICH THE COMPANY IS A MEMBER

The immediate and ultimate parent undertaking is Inter MK Group Limited, a company incorporated in England and Wales

21 ULTIMATE CONTROLLING PARTY

The controlling and ultimate controlling party is considered to be Mr P K Winkelman by virtue of his shareholding in Inter MK Group Limited

22. POST BALANCE EVENTS

On 28 January 2011 Inter MK Group Limited agreed new financing facilities with Clydesdale Bank Plc Included in the funding is a £5 5m term loan, which is in place to meet the working capital requirements of the Group This term loan is repayable in July 2012 and replaces the £4 25m revolver facility