

MCG Company No 1 Limited

**Directors' report and unaudited financial
statements**

Year ended 31 December 2010

Registered number 4897584

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Contents

	Page
Directors' report	1
Statement of directors' responsibilities	2
Profit and loss account	2
Balance sheet	3
Notes to the accounts	4

Directors' report

The directors present their annual report and the unaudited financial statements for the year ended 31 December 2010. The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption under the Companies Act 2006.

Principal activity

The principal activity of the company during the current and preceding year was that of an investment holding company. No change in activity is anticipated. The accounts have been prepared in US Dollars as the directors believe this to be the functional currency of the company as its cash flows are in US Dollars.

Business review

The company was dormant in 2010 (2009 loss US\$170,955,658).

Directors

The directors who held office during the year and up to the date of this report, were as follows:

C W Ansley

N Stagg

C Povey – appointed 31 October 2010

C Smith – resigned 31 October 2010

Approved by the Board and signed on its behalf by



C Povey
Director

10 Fleet Place
London EC4M 7RB

Date *27 September 2011*

Profit and loss account

for the year ended 31 December 2010

	<i>Note</i>	Year ended 31 December 2010 US\$	Year ended 31 December 2009 US\$
Administrative expenses	4	-	(172,055,658)
Operating loss		-	(172,055,658)
Investment income	5	-	1,100,000
Loss before taxation		-	(170,955,658)
Tax income on loss on ordinary activities	6	-	-
Loss for the year		-	(170,955,658)

There are no recognised gains or losses other than those shown in the profit and loss account, therefore no statement of total recognised gains and losses is presented

The results for the proceeding year relates to continuing operations

Balance sheet
at 31 December 2010

	Notes	US\$	2010 US\$	US\$	2009 US\$
Fixed assets					
Investments	7		112,100,000		112,100,000
Current assets					
Debtors amounts falling due after more than one year	8	-		-	
Debtors amounts falling within one year	8	<u>16,020,110</u>		<u>16,020,110</u>	
		16,020,110		16,020,110	
Creditors Amounts falling due within one year	9	<u>-</u>		<u>-</u>	
Net current assets			16,020,110		16,020,110
Net assets			<u>128,120,110</u>		<u>128,120,110</u>
Capital and reserves					
Called up share capital	10		197,442,960		197,442,960
Share premium account	11		74,105,104		74,105,104
Profit and loss account	11		<u>(143,427,954)</u>		<u>(143,427,954)</u>
Shareholders' funds	12		<u>128,120,110</u>		<u>128,120,110</u>

For the year ended 2010 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts. These accounts have been prepared in accordance with the provision applicable to companies subject to the small companies' regime. The financial statements were approved by the board of directors and authorised for issue on *27 September 2011*

They were signed on its behalf by



C Povey
Director

Notes to the accounts

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom laws and accounting standards and under the historical cost accounting rules

Group accounts

At the end of the year the Company was a wholly owned subsidiary of a company incorporated in a member state of the European Economic Community which prepares group accounts. Accordingly, the preparation of group accounts is not required under Section 400 of the Companies Act 2006 and these financial statements represent information about the Company as an individual undertaking

Functional currency

The accounts have been prepared in US Dollars as the directors believe this to be the functional currency of the company as its major cash flows are in US Dollars

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Notes to the accounts *(continued)*

1. Accounting policies *(continued)*

Fixed asset investments

Fixed asset investments, comprising shares in group undertakings, are stated at cost less provision for impairment

2 Staff numbers and costs

The company did not have any employees during either the current or the preceding year. The directors did not receive any emoluments from the company.

3 Auditors' remuneration

The auditors' remuneration of \$2,000 (2009: \$2,000) was borne by the company's parent company in both the current and prior year. There were no amounts paid to the auditors by the company for non-audit services in either the current or the prior year.

Notes to the accounts (continued)

4 Administrative expense

	Year ended 31 December 2010 US\$	Year ended 31 December 2009 US\$
Provision against investment in group undertakings	-	171,548,062
Provision against receivables from group undertakings	-	507,596
		<u>172,055,658</u>

5 Investment income and other income

	Year ended 31 December 2010 US\$	Year ended 31 December 2009 US\$
Dividends received from group undertakings	-	1,100,000
		<u>1,100,000</u>

6 Tax charge on loss/profit on ordinary activities

	2010 US\$	2009 US\$
Current tax		
UK corporation tax at 28% (2009 28%) on the profit for the period on ordinary activities	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
Prior period tax credit	-	-
Total tax charge/(credit) on profit on ordinary activities	<u>-</u>	<u>-</u>

Notes to the accounts *(continued)*

6 Tax charge on loss/profit on ordinary activities (continued)

Factors affecting tax charge for the period

The applicable rate of tax on the company's profit on ordinary activities for the year is 28% (2009 28%)

The tax charge for the year is less than the charge expected by applying the applicable rate for the reasons set out in the following reconciliation

	2010 US\$	2009 US\$
(Loss) / profit on ordinary activities before tax	-	<u>(170,955,658)</u>
Expected tax charge at 28% (2009 28%)	-	<u>(47,867,584)</u>
Factors affecting the tax charge:		
Non-taxable consideration	-	48,175,584
Group relief claimed for nil consideration	-	<u>(308,000)</u>
Current tax charge	<u>-</u>	<u>-</u>

7 Investments held as fixed assets

	Country of incorporation	Shares in subsidiaries US\$
Alexander Proudfoot Overseas Holdings Limited	United Kingdom	12,100,000
Proudfoot Company AG	Switzerland	<u>100,000,000</u>
At 31 December 2010 and 31 December 2009		<u>112,100,000</u>

The Company held 100% of the ordinary shares of Proudfoot Company AG and 14.05% of Alexander Proudfoot Overseas Holdings Limited

8 Debtors

	Year ended 31 December 2010 US\$	Year ended 31 December 2009 US\$
Amounts owed by group undertakings due within one year	<u>16,020,110</u>	<u>16,020,110</u>

The amounts owed by group undertakings represents consideration receivable from fellow subsidiary undertakings

Notes to the accounts *(continued)*

9 Called up share capital

	2010 £	2009 £
<i>Allotted, issued and fully paid</i>		
110,226,396 ordinary shares of £1 each		
(2009 110,226,396)	<u>110,226,396</u>	<u>110,226,396</u>
	US\$	US\$
	<u>197,442,960</u>	<u>197,442,960</u>

11 Movement in reserves

	Profit and loss account US\$	Share premium US\$	Total US\$
As at 1 January 2009	27,527,704	74,105,104	101,632,808
Loss for the year	(170,955,658)	-	(170,955,658)
As at 1 January 2010	(143,427,954)	74,105,104	(69,322,850)
Loss for the year	-	-	-
As at 31 December 2010	<u>(143,427,954)</u>	<u>74,105,104</u>	<u>(69,322,850)</u>

12. Reconciliation of the movement in shareholders' funds

	2010 US\$	2009 US\$
Opening shareholders' funds	128,120,110	299,075,768
Loss for the year	-	(170,955,658)
Closing shareholders' funds	<u>128,120,110</u>	<u>128,120,110</u>

Notes to the accounts *(continued)*

13 Related party transactions

As described in note 12, the Company is part of a group headed by Management Consulting Group PLC. The Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). There were no other related party transactions requiring disclosure in the current or prior year. The consolidated financial statements of Management Consulting Group PLC, within which the results of this company are included, can be obtained from the address given in note 14.

14 Immediate and ultimate parent company

The immediate and ultimate parent company and controlling party is Management Consulting Group PLC, a company incorporated in Great Britain and registered in England and Wales, which holds 87.14% of the ordinary share capital. Alexander Proudfoot Overseas Holdings Limited, a company incorporated in Great Britain and registered in England and Wales, holds the remaining 12.86% of the ordinary share capital.

The smallest and largest group in which the accounts are consolidated is that headed by Management Consulting Group PLC. Copies of the accounts of Management Consulting Group PLC may be obtained at the following address: Management Consulting Group PLC, 10 Fleet Place, London EC4M 7RB.