



D4695GROUP

Ellacott Stranks & Co. Chartered Accountants Banbury

GROUP MCE LIMITED
FINANCIAL STATEMENTS
31 MARCH 2005

Company Registration Number 05246329



ELLACOTT STRANKS & CO.
Chartered Accountants & Registered Auditors
Beechfield House
38 West Bar
Banbury
Oxfordshire
OX16 9RX



GROUP MCE LIMITED
FINANCIAL STATEMENTS

PERIOD FROM 30 SEPTEMBER 2004 TO 31 MARCH 2005

Ellacott Stranks & Co. Chartered Accountants Banbury

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GROUP MCE LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

Ellacott Stranks & Co. Chartered Accountants Banbury

The board of directors

Mr N Matthews
Ms J Barnard

Company secretary

Ms L Dane

Registered office

Beechfield House
38 West Bar
Banbury
Oxfordshire
OX17 9RX

Auditors

Ellacott Stranks & Co.
Chartered Accountants
& Registered Auditors
Beechfield House
38 West Bar
Banbury
Oxfordshire
OX16 9RX

Bankers

HSBC
17 Market Place
Banbury
Oxfordshire
OX16 5ED



GROUP MCE LIMITED

THE DIRECTORS' REPORT

PERIOD FROM 30 SEPTEMBER 2004 TO 31 MARCH 2005

The directors have pleasure in presenting their report and the financial statements of the group for the period from 30 September 2004 to 31 March 2005.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company was incorporated on the 30 September 2004 as Group FS Limited. The company name was changed to Group MCE Limited on the 30 March 2005. The principal activity of the company during the year was to act as a holding company. The principal activities of the two subsidiary companies are set out in note 9 to the accounts.

These accounts represent the first partial year of operation of Group MCE Limited and its subsidiaries since the Management bought out the companies in October 2004.

The results are as per expectations and provide a good basis from which the company can grow and develop.

The business prospects going forwards are excellent with significant high profile contracts in America and South Africa. Both operating companies are expecting substantial growth in 2005/06.

We would like to thank the team that assisted with the Management Buyout and look forward to reporting on further progress at next year end.

THE DIRECTORS AND THEIR INTERESTS

The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows:

		Ordinary Shares of £1 each	
		At	At
		31 March 2005	30 September 2004 or later date of appointment
Mr N Matthews	(Appointed 30 September 2004)	100	100
Ms J Barnard	(Appointed 30 September 2004)	<u>100</u>	<u>100</u>

DIRECTORS' RESPONSIBILITIES

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 group and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 9 to 10, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.



GROUP MCE LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 30 SEPTEMBER 2004 TO 31 MARCH 2005

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint Ellacott Stranks & Co. as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Beechfield House
38 West Bar
Banbury
Oxfordshire
OX17 9RX

Signed on behalf of the directors

Director
Mr N Matthews

9 January 2006

**GROUP MCE LIMITED****INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
GROUP MCE LIMITED****PERIOD FROM 30 SEPTEMBER 2004 TO 31 MARCH 2005**

We have audited the financial statements of Group MCE Limited for the period from 30 September 2004 to 31 March 2005 on pages 6 to 17 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on pages 9 to 10.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an 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 and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Act 1985. 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 transactions with the group 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 United Kingdom Auditing Standards 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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.



GROUP MCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GROUP MCE LIMITED *(continued)*

PERIOD FROM 30 SEPTEMBER 2004 TO 31 MARCH 2005

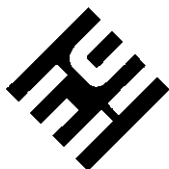
OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs and of the group as at 31 March 2005 and of the profit of the group for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

ELLACOTT STRANKS & CO.
Chartered Accountants
& Registered Auditors

Beechfield House
38 West Bar
Banbury
Oxfordshire
OX16 9RX

30th January 2006



GROUP MCE LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT

PERIOD FROM 30 SEPTEMBER 2004 TO 31 MARCH 2005

Ellacott Stranks & Co. Chartered Accountants Banbury

	Note	Period from 30 Sep 04 to 31 Mar 05 £
GROUP TURNOVER	2	1,224,650
Cost of sales		872,381
GROSS PROFIT		352,269
Administrative expenses		260,788
OPERATING PROFIT	3	91,481
Interest receivable		6,084
Interest payable and similar charges		(5,261)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		92,304
Tax on profit on ordinary activities	5	32,460
RETAINED PROFIT FOR THE FINANCIAL PERIOD	6	59,844

The company has taken advantage of section 230 of the Companies Act 1985
not to publish its own Profit and Loss Account.



GROUP MCE LIMITED
GROUP BALANCE SHEET
31 MARCH 2005

Ellacott Stranks & Co. Chartered Accountants Banbury

	Note	£	31 Mar 05 £
FIXED ASSETS			
Intangible assets	7		277,669
Tangible assets	8		44,994
Investments	9		642
			<u>323,305</u>
CURRENT ASSETS			
Stocks	10	411,707	
Debtors	11	276,155	
Cash at bank and in hand		23,668	
		<u>711,530</u>	
CREDITORS: Amounts falling due within one year	12	956,308	
		<u></u>	
NET CURRENT LIABILITIES			(244,778)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>78,527</u>
CREDITORS: Amounts falling due after more than one year	13		10,000
			<u>68,527</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	14		1,201
			<u>67,326</u>
CAPITAL AND RESERVES			
Called-up equity share capital	16		200
Profit and loss account	17		67,126
			<u>67,326</u>
SHAREHOLDERS' FUNDS			<u>67,326</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 9.1.06 and are signed on their behalf by:

Mr N Matthews
Director

**GROUP MCE LIMITED****BALANCE SHEET****31 MARCH 2005**

Ellacott Stranks & Co. Chartered Accountants Banbury

	Note	£	31 Mar 05 £
FIXED ASSETS			
Tangible assets	8		1,466
Investments	9		230,580
			<u>232,046</u>
CURRENT ASSETS			
Debtors	11	97,279	
Cash at bank		14,216	
		<u>111,495</u>	
CREDITORS: Amounts falling due within one year	12	297,866	
		<u></u>	
NET CURRENT LIABILITIES			(186,371)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>45,675</u>
CREDITORS: Amounts falling due after more than one year	13		10,000
			<u>35,675</u>
CAPITAL AND RESERVES			
Called-up equity share capital	16		200
Profit and loss account	17		35,475
SHAREHOLDERS' FUNDS			<u>35,675</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 9.1.06 and are signed on their behalf by:

Mr N Matthews
Director

**GROUP MCE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****PERIOD FROM 30 SEPTEMBER 2004 TO 31 MARCH 2005**

Ellacott Stranks & Co. Chartered Accountants Banbury

1. ACCOUNTING POLICIES**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over ten years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 1985.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - straight line over 10 years

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & fittings - straight line over 3 to 7 years

Equipment - straight line over 3 to 7 years

Computer software - straight line over 2 to 3 years

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.



GROUP MCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 SEPTEMBER 2004 TO 31 MARCH 2005

Ellacott Stranks & Co. Chartered Accountants Banbury

1. ACCOUNTING POLICIES *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. TURNOVER

The turnover and profit before tax are attributable to the principal activity of the group. An analysis of turnover is given below:

	Period from 30 Sep 04 to 31 Mar 05 £
USA	1,119,972
Africa	104,678
	<u>1,224,650</u>

**GROUP MCE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****PERIOD FROM 30 SEPTEMBER 2004 TO 31 MARCH 2005****3. OPERATING PROFIT**

Operating profit is stated after charging:

	Period from 30 Sep 04 to 31 Mar 05 £
Amortisation	14,614
Depreciation of owned fixed assets	5,431
Auditors' fees	12,380
Net loss on foreign currency translation	<u>16,322</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	Period from 30 Sep 04 to 31 Mar 05 £
Aggregate emoluments	<u>68,929</u>

5. TAXATION ON ORDINARY ACTIVITIES

	Period from 30 Sep 04 to 31 Mar 05 £
Current tax:	
UK Taxation	
UK Corporation tax based on the results for the period at 19%	8,300
Foreign tax	
Current tax on income for the period	24,160
Total current tax	<u>32,460</u>

6. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £35,475.



GROUP MCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 SEPTEMBER 2004 TO 31 MARCH 2005

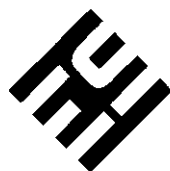
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7. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
Additions	292,283
At 31 March 2005	<u>292,283</u>
AMORTISATION	
Charge for the period	14,614
At 31 March 2005	<u>14,614</u>
NET BOOK VALUE	
At 31 March 2005	<u>277,669</u>

8. TANGIBLE FIXED ASSETS

Group	Fixtures & Fittings £	Office equipment £	Computer Software £	Total £
COST				
At 30 September 2004	21,447	30,946	10,086	62,479
Additions	4,205	16,820	1,195	22,220
At 31 March 2005	<u>25,652</u>	<u>47,766</u>	<u>11,281</u>	<u>84,699</u>
DEPRECIATION				
At 30 September 2004	6,556	12,851	8,118	27,525
Charge for the period	3,162	7,961	1,057	12,180
At 31 March 2005	<u>9,718</u>	<u>20,812</u>	<u>9,175</u>	<u>39,705</u>
NET BOOK VALUE				
At 31 March 2005	<u>15,934</u>	<u>26,954</u>	<u>2,106</u>	<u>44,994</u>



GROUP MCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 SEPTEMBER 2004 TO 31 MARCH 2005

Ellacott Stranks & Co. Chartered Accountants Banbury

8. TANGIBLE FIXED ASSETS *(continued)*

Company	Office equipment £
COST	
Additions	1,759
At 31 March 2005	<u>1,759</u>
DEPRECIATION	
Charge for the period	293
At 31 March 2005	<u>293</u>
NET BOOK VALUE	
At 31 March 2005	<u>1,466</u>

9. INVESTMENTS

Group	Associated undertaking s £
COST	
Additions	642
At 31 March 2005	<u>642</u>
NET BOOK VALUE	
At 31 March 2005	<u>642</u>

Fuse Communication (Africa) Limited purchased a 7% shareholding in a South African company FSG Special Purpose Company (Pty) Ltd during the year.

Company	Group companies £
COST	
Additions	230,580
At 31 March 2005	<u>230,580</u>
NET BOOK VALUE	
At 31 March 2005	<u>230,580</u>

**GROUP MCE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****PERIOD FROM 30 SEPTEMBER 2004 TO 31 MARCH 2005**

Ellacott Stranks & Co. Chartered Accountants Banbury

9. INVESTMENTS *(continued)*

On 9 October 2004 the Group MCE Limited acquired Fuse Communication Inc. and Fuse Communication (Africa) Limited for a combined consideration of £230,580. This consideration was split between £10,000 satisfied by cash and £220,580 relating to creditors being taken over as part of the acquisition. Goodwill arising on the acquisition of the subsidiaries has been capitalised and will be amortised over 10 years.

The new business combination as mentioned above has been accounted for as an acquisition.

The investment in Fuse Communication Inc. and Fuse Communication (Africa) Limited has been included in the company's balance sheet at its fair value at the date of acquisition.

Analysis of the acquisition of Fuse Communication Inc:

	£
Fixed assets	30,919
Current assets	527,150
Current liabilities	(656,078)
Net liabilities	<u>(98,009)</u>

Analysis of the acquisition of Fuse Communication (Africa) Limited:

	£
Fixed assets	6,954
Current assets	148,365
Current liabilities	(119,015)
Net assets	<u>36,304</u>

At 31 March 2005 the group held 100 % of the share capital of the following investments:

	Country of incorporation	Class of shares	Capital & Reserves	Loss for period
Fuse Communication (Africa) Limited	England	Ordinary	£(18,063)	£(21,906)

The share capital of Fuse Communication (Africa) Limited was purchased on the 9 October 2004.

Fuse Communication (Africa) Limited made a post acquisition loss of £60,610 since the date of acquisition.

The trading activity of Fuse Communication (Africa) Limited is to carry on business as theme park designers.

	Country of incorporation	Class of shares	Capital & Reserves	Profit for period
Fuse Communication Inc.	USA	Ordinary	£5,990	£122,784

The share capital of Fuse Communication Inc. was purchased on the 9 October 2004.



GROUP MCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 SEPTEMBER 2004 TO 31 MARCH 2005

9. INVESTMENTS *(continued)*

Fuse Communication Inc. made a post acquisition profit of £99,592 since the date of acquisition.

The trading activity of Fuse Communication Inc is the provision of marketing and communication services.

10. STOCKS

	Group £	Company £
Work in progress	411,707	—

11. DEBTORS

	Group £	Company £
Trade debtors	221,107	972
Amounts owed by group undertakings	—	96,207
FSG shareholder loan	45,521	—
Leasehold deposits	8,713	—
Other debtors	100	100
Prepayments and accrued income	714	—
	<u>276,155</u>	<u>97,279</u>

12. CREDITORS: Amounts falling due within one year

	Group £	Company £
Billings in advance	327,240	—
Michigan business tax	4,842	—
Bank loans and overdrafts	52,547	—
Trade creditors	274,525	29,432
Amounts owed to group undertakings	—	73,505
Other creditors including taxation and social security:		
Corporation tax	8,300	8,300
PAYE and social security	12,835	—
VAT	25,135	—
Other creditors	224,152	175,209
Accruals and deferred income	26,732	11,420
	<u>956,308</u>	<u>297,866</u>

13. CREDITORS: Amounts falling due after more than one year

	Group £	Company £
Other creditors	10,000	10,000

**GROUP MCE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****PERIOD FROM 30 SEPTEMBER 2004 TO 31 MARCH 2005**

Ellacott Stranks & Co. Chartered Accountants Banbury

14. DEFERRED TAXATION

The movement in the deferred taxation provision during the period was:

	Group	Company
	£	£
Provision for period	1,201	—
Provision carried forward	<u>1,201</u>	<u>—</u>

15. RELATED PARTY TRANSACTIONS

The company was under the control of Mr N Matthews and Ms J Barnard throughout the period. Mr N Matthews is the Chief executive of the company and Ms J Barnard is the Group Development director.

At the year end the following amounts were owed to the directors within 1 year:

	2005
	£
Mr N Matthews	25,209

At the year end the following amounts were owed from the directors within 1 year:

	2005
	£
Ms J Barnard	100

At the year end the following amounts were owed to the directors due after 1 year:

	2005
	£
Mr N Matthews	5,000
Ms J Barnard	5,000

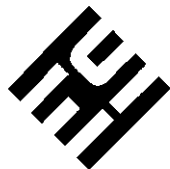
16. SHARE CAPITAL

Authorised share capital:

	31 Mar 05
	£
1,000 Ordinary shares of £1 each	<u>1,000</u>

Allotted, called up and fully paid:

	No	£
Ordinary shares of £1 each	<u>200</u>	<u>200</u>



GROUP MCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 SEPTEMBER 2004 TO 31 MARCH 2005

17. RESERVES

Group	Profit and loss account £
Retained profit for the period	59,844
Foreign currency translation	7,282
Balance carried forward	<u>67,126</u>
 Company	 Profit and loss account £
Profit for the period	35,475
Balance carried forward	<u>35,475</u>