MBC Group Limited

FINANCIAL STATEMENTS

for the period ended

30th June 2006

Company Registration No. 5461014

DIRECTORS

P A J Currie
G Hird
A Southgate
M A Thirkettle
K I Whitehead
K Young

SECRETARY

P A J Currie

COMPANY NUMBER

5461014 (England and Wales)

REGISTERED OFFICE

3rd Floor
20 Regent Street
London
SW1Y 4PH

AUDITORS

BDO Stoy Hayward LLP
8 Baker Street
London
W1U 3LL

The directors submit their report and financial statements of MBC Group Limited company and Group for the period ended 30th June 2006.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

MBC Group Limited was established in May 2005 to acquire the share capital of McBains Cooper Limited, as a key component of a 'capital restructuring' project to facilitate the capital repayment of former shareholders no longer in the business, the rationalisation of a previously complex share capital structure and, importantly, facilitate the widening of the share ownership to other Directors and Associate Directors.

MBC Group Limited is the ultimate holding company of McBains Cooper Consulting Limited and McBains Cooper Scotland Limited - the principal operating subsidiaries of the McBains Cooper Group.

The McBains Cooper Group is a long established business operating as a Partnership until June 2000, at which point the business was 'incorporated'.

The principal activities of the Group remain unaltered being the provision of professional consulting services to the property and construction industry. The services include Architecture, Cost Management, Project Management, Mechanical and Electrical Engineering, Building Surveying, Civil and Structural Engineering and Asset Management.

REVIEW OF THE BUSINESS

The company was incorporated on the 24th May 2005 and since then, has issued 1,010,000 Ordinary shares of £1 each at par.

The company acquired the entire share capital of McBains Cooper Limited on the 30th June 2005 and has prepared consolidated accounts for the period from that date to the 30th June 2006.

The profit and loss account for the period to 30th June 2006 is set out on page 8, demonstrating a turnover of £11,719,975, and a pretax profit of £895,552.

Fee income showed a 6% increase year on year. Further growth has been budgeted for the new trading year to 30th June 2007.

The Group is keen to expand its multidisciplinary service offering, which it aims to achieve both by organic growth and well targeted acquisitions.

Favourable trading activities have allowed the company to make an early repayment of £500,000 of an existing Term Loan provided by the Allied Irish Bank - this occurred in August 2006.

PRINCIPAL RISKS AND UNCERTAINTIES

The market for the provision of professional consulting services to the property and construction industry is highly competitive. The Group seeks to manage that competitive risk through the provision of a multi-disciplinary offering, with material emphasis on the quality of its service delivery.

The Group's principal credit risk is attributable to the trade debtors. Wherever possible, credit checks are undertaken as is the monitoring of payments against contractual obligations.

The company has a Term Loan from the Allied Irish Bank of £2.0 million, which was established in July 2005 and is repayable over seven years with even monthly repayments. In August 2006 the opportunity was taken to accelerate the repayment of that loan by a part settlement of £500,000. At 30th September 2006 the balance on the loan account was £1,195,678.

The company monitors cash-flow as part of its day to day procedures. The cash position of the company is the subject of weekly review against predetermined forecasts. Surplus cash resources are invested in money market deposits with its principal bankers.

RESULTS AND DIVIDENDS

The Group's retained profit for the period after taxation amounted to £ 652,081.

The directors do not recommend the payment of an ordinary dividend.

CHARITABLE DONATIONS

During the period, the Group made charitable donations of £5,075.

DIRECTORS

The following directors have held office since incorporation :-

P A J Currie	
G Hird	(Appointed 30th June 2005)
A Southgate	(Appointed 1st August 2005)
M A Thirkettle	
K I Whitehead	(Appointed 30th June 2005)
K Young	(Appointed 30th June 2005)

DIRECTORS' INTERESTS IN SHARES

The directors' interests in the shares of the company, including family interests, were:

	30.6.06	24.5.05
P A J Currie	30,000	-
G Hird	100,000	-
A Southgate	30,000	-
M A Thirkettle	250,000	2
K I Whitehead	100,000	-
K Young	100,000	-

DISCLOSURE OF INFORMATION TO AUDITORS

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

AUDITORS

During the period, Baker Tilly resigned as auditors and BDO Stoy Hayward LLP were appointed in their place. A resolution to re-appoint BDO Stoy Hayward LLP, Chartered Accountants, will be put to the members at the Annual General Meeting.

On behalf of the board

P A J Currie Date: 11.12.2006

Director

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:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and estimates that are reasonable and prudent;

c. state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;

d. *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 Act 1985. 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.

The Group has granted an indemnity to the directors in respect of qualifying third party indemnity provisions.

We have audited the financial statements of MBC Group Limited for the period ended 30th June 2006 which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the consolidated cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with those 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of 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 judgements 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.

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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and company's affairs as at 30th June 2006 and of the profit of the Group for the period then ended: and

- the financial statements have been properly prepared in accordance with the Companies Act 1985: and

- the information given in the Directors' Report is consistent with the financial statements.

BDO LLP

BDO Stoy Hayward LLP
Registered Auditor
Chartered Accountants
8 Baker Street
London
W1U 3LL

Date: 15 December 2006

	Notes	2006 £
TURNOVER	1	11,719,975
Cost of Sales		(7,632,003)
Gross Profit		4,087,972
Other operating expenses	2	(2,878,891)
OPERATING PROFIT		1,209,081
Interest payable	3	(161,628)
Interest receivable	4	48,724
		1,096,177
Exceptional items	5	(200,625)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	895,552
Taxation	8	(243,471)
RETAINED PROFIT FOR THE PERIOD	18	652,081

All amounts relate to the Group's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

MBC Group Limited
BALANCE SHEETS
as at 30th June 2006

McBAINS COOPER

	Notes	Group 2006 £	Company 2006 £
FIXED ASSETS			
Tangible assets	11	617,363	-
Investments	12	240,890	2,520,937
		858,253	2,520,937
CURRENT ASSETS			
Debtors	13	4,523,139	1,309,617
Cash at bank and in hand		1,023,015	-
		5,546,154	1,309,617
CREDITORS:			
Amounts falling due within one year	14	(3,045,168)	(1,313,759)
NET CURRENT ASSETS / (LIABILITIES)		2,500,986	(4,142)
TOTAL ASSETS LESS CURRENT LIABILITIES		3,359,239	2,516,795
CREDITORS:			
Amounts falling due after more than one year	15	(1,586,533)	(1,506,795)
Provision for Liabilities and Charges	16	(110,625)	-
NET ASSETS		1,662,081	1,010,000
CAPITAL AND RESERVES			
Called up share capital	17	1,010,000	1,010,000
Profit and loss account	18	652,081	-
SHAREHOLDERS' FUNDS - EQUITY	19	1,662,081	1,010,000

Approved by the board on 11.12.2006

M A Thirkettle
Director

MBC Group Limited
CONSOLIDATED CASH FLOW STATEMENT
for the period ended 30th June 2006

McBAINS COOPER

	Notes	2006 £
Net Cash Outflow from Operating Activities	20	(71,371)
Returns on Investments and Servicing of Finance		
Interest received		48,724
Interest paid		(161,628)
Taxation		
UK corporation tax paid		(261,683)
Acquisitions & Disposals		
Purchase of McBains Cooper Limited		(766,237)
Capital Expenditure		
Payments to acquire tangible fixed assets		(514,330)
Receipts from sale of tangible fixed assets		12,756
Management of Liquid Resources		
Purchase of investment bonds		(26,549)
Financing		
Proceeds from issue of share capital		1,010,000
Participating shares redeemed by McBains Cooper Limited		(43,680)
Loans advanced		2,000,000
Capital element of bank loan repayments		(240,673)
Capital element of hire purchase payments		(74,428)
New hire purchase and finance lease agreements		112,114
Increase in Cash	20	1,023,015

Reconciliation of Net Cash Flow to Movement in Funds

Increase in cash	1,023,015
Funds on incorporation	-
Funds at 30 June 2006	1,023,015

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the principal Group accounting policies, which have been applied consistently, is set out below.

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

BASIS OF CONSOLIDATION

The consolidated financial statements include the company and all of its subsidiary undertakings made up to 30th June 2006. Intra-group sales and profits are eliminated fully on consolidation. The profit and loss account presents the consolidated results for the Group for the period ended 30th June 2006.

GOODWILL

Goodwill representing the excess of the purchase price compared with the fair value of assets acquired is capitalised and written off over 20 years as in the opinion of the directors, this represents the period over which the goodwill is effective.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write of each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Leasehold improvements	10% Straight line
Computer equipment	33% Straight line
Fixtures, fittings & equipment	25% Straight line
Motor vehicles	25% Straight line

INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value.

TURNOVER AND AMOUNTS RECOVERABLE ON CONTRACTS

Contracts for services are accounted for as contract activity progresses and revenue is recognised to reflect the group's partial performance of its contractual obligations. The amount recognised reflects any uncertainty as to the amount that the client will pay. However, where the right to consideration relies upon the occurrence of a critical event, revenue is not recognised until that point in time.

This policy is in line with the requirements of UITF40: 'Revenue recognition and service contracts'.

PENSIONS CONTRIBUTIONS

The pension costs charged in the financial statements represent the contributions payable by the company during the period.

DEFERRED TAXATION

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are 'operating leases' and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term. Provisions are made for onerous lease commitments if they arise.

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The Group's turnover and profit before taxation were all derived from its principal activity wholly undertaken in the United Kingdom.

Turnover represents the invoiced and accrued value of sales, fees and expenses recoverable, net of Value Added Tax and intra-group sales, and represents goods and services delivered during the period in accordance with UITF40.

2. OTHER OPERATING EXPENSES

	2006
	£
Administrative expenses	2,878,891

3. INTEREST PAYABLE

	2006
	£
On bank loans and overdrafts	133,838
Hire purchase interest	27,790
	161,628

4. INTEREST RECEIVABLE

	2006
	£
Bank interest	48,724

5. EXCEPTIONAL ITEM

The exceptional item relates to the provision for onerous leases and dilapidation costs.

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2006
	£
Profit on ordinary activities before taxation is stated after charging / (crediting):	
Depreciation of tangible assets:	
Charge for the period: Owned assets	105,203
Leased assets	116,270
(Profit) / loss on disposals	(7,365)
Operating lease rentals: Land and buildings	546,497
Auditors' remuneration	41,000
Auditors' remuneration for non-audit services	12,000

7. EMPLOYEES

The average monthly number of persons (including directors) employed by the Group during the period was:	2006 No.
Operational staff	104
Management and administrative staff	24
	128

	£
Staff costs for the above persons:	
Wages and salaries	4,646,748
Social security costs	562,966
Other pension costs	110,110
	5,319,824

DIRECTORS' REMUNERATION	2006 £
Emoluments for qualifying services	597,119
Company pension contributions to money purchase schemes	39,262
	636,381

Emoluments disclosed above include the following amounts paid to the highest paid director:	£
Emoluments for qualifying services	264,795
Company pension contributions to money purchase schemes	11,250
	276,045

The number of directors accruing retirement benefits under money purchase schemes is 6.

8. TAXATION

	2006
	£
Based on the profit for the period:	
U.K. Corporation tax	243,471
Current tax charge	243,471
Release of deferred tax	-
	243,471
Factors affecting the tax charge for the period:	
Profit on ordinary activities before taxation	895,552
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax of 30 %	268,666
Effects of:	
Non-deductible expenses	35,055
Capital allowances in excess of depreciation	(36,500)
Under / (over) provision in respect of previous years	(14,680)
Tax effect of UITF 40 adjustment	4,963
Movement in provisions	(1,501)
Difference in tax rates	(12,718)
Other tax adjustments	186
	(25,195)
Current tax charge	243,471

9. PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION

As permitted by Section 230 of the Companies Act 1985, the company has not presented its own profit and loss account. The company made a profit of £ nil for the period.

10. ACQUISITION

On the 30th June 2005, MBC Group Limited acquired 100% of the ordinary share capital of McBains Cooper Limited for £2,520,937, paid by cash and the issue of ordinary shares.

In calculating the goodwill arising on acquisition, the fair value of the net assets of McBains Cooper Limited have been assessed and viewed as reasonable.

The net assets of McBains Cooper Limited as at 30th June 2005 are set out below. There was no difference between the fair value and the book values of the net assets as that date.

	£
Tangible Fixed Assets	329,897
Investments	214,342
	544,239
Debtors	4,523,315
Cash at bank	1,322,817
	5,846,132
Total Assets	6,390,371
Creditors	(3,829,762)
Net Assets	2,560,609
Consideration (being cash and shares, including expenses of £191,024)	2,520,937
Net assets acquired	(2,560,609)
Goodwill arising on acquisition	(39,672)
Cashflows	
Cash Consideration	(766,237)
Cash Acquired	1,322,817
Net Cash Inflow	556,580

A proforma profit and loss account showing the consolidated results of McBains Cooper Limited for the year ended 30th June 2005 is included after these notes, though it does not form part of the statutory audited notes.

The full results of McBains Cooper Limited and its subsidairy companies can be seen in its consolidated accounts to 30th June 2005, which are publically available from Companies House.

11. TANGIBLE FIXED ASSETS

	Leasehold Improvements	*Computer Equipment*	*Fixtures, Fittings & Equipment*	*Motor Vehicles*	*Total*
	£	£	£	£	£
Cost					
On incorporation	-	-	-	-	-
Acquisition	103,528	523,188	20,211	171,649	818,576
Additions	58,146	439,126	17,058	-	514,330
Disposals	-	(185,760)	(3,412)	(73,368)	(262,540)
30 June 2006	161,674	776,554	33,857	98,281	1,070,366
Accumulated Depreciation					
On incorporation	-	-	-	-	-
Acquisition	68,794	266,566	9,051	144,268	488,679
Charge in the period	18,790	180,885	7,090	14,708	221,473
Disposals	-	(185,760)	(3,412)	(67,977)	(257,149)
30 June 2006	87,584	261,691	12,729	90,999	453,003
Net Book Value					
30 June 2006	74,090	514,863	21,128	7,282	617,363

Included within Tangible Fixed Assets are assets held under finance leases or hire purchase contracts as follows:

	Leasehold Improvements	*Computer Equipment*	*Fixtures, Fittings & Equipment*	*Motor Vehicles*	*Total*
	£	£	£	£	£
Net Book Value					
30 June 2006	33,198	132,945	13,081	-	179,224

12. FIXED ASSET INVESTMENTS

Company	£
Fixed asset investments comprise shares in subsidiary undertakings at cost:	
On incorporation	-
Acquisition	2,520,937
Disposal	-
30 June 2006	2,520,937

The company has the following principal subsidiary undertakings all of which are consolidated.

Name	**Country of registration or incorporation**	**Principal activity**
McBains Cooper Limited	England and Wales	Intermediate Holding Company
McBains Cooper Consulting Limited	England and Wales	Property Consultants
McBains Cooper (Scotland) Limited	Scotland	Quantity Surveyors
McBains Cooper Asset Management Limited	England and Wales	Dormant

The company holds 100% of the issued ordinary share capital of McBains Cooper Limited, which in turn owns 100% of the issued ordinary share capital each of the other subsidiary undertakings.

Group	Unlisted Investments £
On incorporation	-
Acquisition	214,341
Additions	26,549
30 June 2006	240,890

The unlisted investments comprise monies invested in two investment bonds.

13. DEBTORS

Due within one year	Group 2006 £	Company 2006 £
Trade debtors	3,143,242	-
Amounts recoverable on contracts	934,911	-
Amounts owed by Group undertakings	-	1,309,617
Other debtors	180,354	-
Prepayments and accrued income	264,632	-
	4,523,139	1,309,617

14. CREDITORS

Amounts falling due within one year	Group 2006 £	Company 2006 £
Bank loans and overdrafts (secured - see Note 15)	252,532	252,532
Obligations under finance lease and hire purchase contracts	79,014	-
Trade creditors	375,091	-
Amounts owed to Group undertakings	-	1,061,227
Corporation tax	300,307	-
Other taxes and social security costs	549,682	-
Other creditors	645,708	-
Accruals and deferred income	842,834	-
	3,045,168	1,313,759

15. CREDITORS

Amounts falling due after more than one year	Group 2006 £	Company 2006 £
Bank loans (secured - see below)	1,506,795	1,506,795
Obligations under finance leases and hire purchase agreements	79,738	-
	1,586,533	1,506,795

During the period, the company entered into a loan amounting to £2,000,000, repayable over a seven year period at 2% above the lending banker's Base Rate. The loan is secured by a fixed and floating charge on all assets of the Group. As at 30th June 2006, the outstanding balance was £1,759,327.

In July 2006 the loan's interest rate was reduced to 1.75% above the lending banker's Base Rate.

	2006
	£
Loan Maturity Analysis:	
Included in current liabilities	252,532
In more than one year but not more than two years	269,352
In more than two years but not more than five years	920,549
In more than five years	316,894
	1,759,327

	2006
	£
Obligations under finance leases and hire purchase contracts:	
Repayable within one year	79,014
Repayable between two and five years	79,738
	158,752
Included in current liabilities	(79,014)
	79,738

16. PROVISION FOR LIABILITIES AND CHARGES

	2006
	£
On incorporation	-
Provision for onerous leases	110,625
30 June	110,625

17. SHARE CAPITAL

	2006
	£
Authorised	
6,000,000 Ordinary shares of £1 each	6,000,000
	6,000,000

		£
Allotted, issued and fully paid		
1,010,000 Ordinary shares of £1 each		
Issued on:	24th May 2005	2
	30th June 2005	779,998
	5th August 2005	155,000
	7th December 2005	75,000
		1,010,000

18. STATEMENT OF MOVEMENT ON RESERVES

	Group 2006 £	Company 2006 £
Profit and loss account		
On incorporation	-	-
Retained profit for the period	652,081	-
30 June	652,081	-

19. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2006 £
Profit for the financial period	652,081
New share capital subscribed	1,010,000
Net addition to equity shareholders' funds	1,662,081
Opening equity shareholders' funds	-
Closing equity shareholders' funds	1,662,081

20. RECONCILIATION OF OPERATING PROFIT AND NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2006 £
Operating profit	1,209,081
Depreciation	221,473
Goodwill written off	3,707
Exceptional expenses	200,625
(Increase) / decrease in debtors	(4,523,139)
Increase / (decrease) in creditors and provisions	2,824,247
(Profit) / loss on disposals of fixed assets	(7,365)
Net cash outflow from operating activities	(71,371)

ANALYSIS OF CHANGES IN NET DEBT

	On incorporation £	Cash £	At 30th June 2006 £
Cash in hand, and at bank	-	1,023,015	1,023,015
Debt due within 1 year	-	(252,532)	(252,532)
Debt due after 1 year	-	(1,506,795)	(1,506,795)
Finance Leases	-	(158,752)	(158,752)
	-	(895,064)	(895,064)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2006
	£
Increase in cash in period	1,023,015
Cash inflow from increase in debt	(1,759,327)
Change in net debt resulting from cashflows	(736,312)
Movement in finance leases	(158,752)
Movement in net debt in the period	(895,064)
Net Debt on incorporation	-
Net Debt as at 30th June 2006	(895,064)

21. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2006, the Group had annual commitments under non-cancellable operating leases as follows:

	2006
	£
Land and Buildings	
expiring in the first year	238,667
expiring in the second to fifth year	107,472
expiring after five years	153,200
	499,339

At 30 June 2006, there were no contracted nor uncontracted capital commitments nor any contingent liabilities.

22. CONTINGENT LIABILITIES

A number of loans and overdrafts of the McBains Cooper group of companies are cross guaranteed. This amounts to a potential liability of £ nil for MBC Group Limited.

23. PENSION COMMITMENTS

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £ 110,110. Contributions totalling £ 11,266 were payable to the fund at the period end and are included within creditors.

24. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption conferred by Financial Reporting Stanard 8 'Related Party Disclosures' not to disclose transactions with members of the Group on the gorunds that at least 90% of the voting rights are controller within that Group and the company is included within the consolidated financial statements.