

Company Registration No. SC 133109

MAX & CO UK LIMITED

Abbreviated Financial Statements

30 April 2005



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10/09/2005

Independent accountants' report on the unaudited accounts to the directors of MAX & CO UK LIMITED

In accordance with the engagement letter dated 20 June 2006 and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the abbreviated accounts of the company which comprise of the balance sheet and the related notes 1 to 8, from the accounting records and information and explanations you have given to us

This report is made to the company's directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's directors that we have done so, and state those matters that we have agreed to state to them in this 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 directors, as a body, for our work, or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants

Aberdeen

15 August 2006

MAX & CO UK LIMITED

Balance sheet 30 April 2005

	Note	2005 £	2004 £
Fixed assets			
Intangible assets	2	503,852	344,727
Tangible assets	3	68,030	69,507
Investments	4	-	1
		<u>571,883</u>	<u>414,235</u>
Current assets			
Stocks		7,049	25,641
Debtors		195,536	225,178
Cash at bank and in hand		134	360
		<u>202,719</u>	<u>251,179</u>
Creditors: amounts falling due within one year	5	<u>(527,740)</u>	<u>(418,073)</u>
Net current liabilities		<u>(325,021)</u>	<u>(166,894)</u>
Total assets less current liabilities		246,862	247,341
Creditors: amounts falling due after more than one year	6	(242,976)	(100,404)
Provisions for liabilities and charges		<u>(10,000)</u>	<u>(10,000)</u>
Net assets		<u>(6,114)</u>	<u>136,937</u>
Capital and reserves			
Called up share capital	7	266,666	166,666
Share premium account		146,892	146,892
Profit and loss account		<u>(419,672)</u>	<u>(176,621)</u>
Shareholders' funds		<u>(6,114)</u>	<u>136,937</u>

MAX & CO UK LIMITED

Balance sheet (continued) 30 April 2005

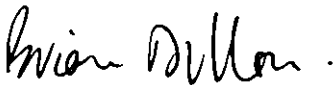
These accounts have been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These accounts have not been audited because the company is entitled to an exemption provided by section 249A(1) of the Companies Act 1985 and its members have not required the company to obtain an audit of these accounts in accordance with section 249B(2)

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company

These financial statements were approved by the Directors on 15th August 2006 and we confirm that we have made available all relevant records and information for their preparation

Signed on behalf of the Board of Directors



Director

MAX & CO UK LIMITED

Notes to the balance sheet Year ended 30 April 2005

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding year.

Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) under the historical cost convention.

Basis for preparation

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

Exemption from preparing consolidated financial statements

The Companies Act 1985 contains provision for small groups to be exempt from the requirement to prepare consolidated financial statements. The directors have taken advantage of this exemption under Section 248, in preparing these financial statements.

The financial statements present information about the company as an individual undertaking and not about its group.

Cash flow statement

The company qualifies as a small company under the terms of Section 249 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

Depreciation

Depreciation is calculated so as to write off the cost less the estimated residual value of tangible fixed assets in annual instalments over their estimated useful lives. The annual rates of depreciation are as follows:

Motor vehicles	25% (reducing balance)
Fixtures and fittings	20-33% (straight line)

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost or net realisable value.

The cost of work in progress represents the cost of direct materials and labour. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Investments

Investments are stated at cost less provision for any impairment in value.

Pension contributions

The company operates a defined contribution scheme for certain employees. Contributions are charged to the profit and loss account as and when they fall due.

The assets of the scheme are held separately from those of the company.

MAX & CO UK LIMITED

Notes to the balance sheet Year ended 30 April 2005

1. Accounting policies (continued)

Taxation

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

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 company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

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

Deferred tax is measured on a non discounted basis

Leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts and the related obligations are recorded in the balance sheet at the fair value of the assets at the inception of the agreements. The excess of the payments over the recorded obligations are treated as finance charges which are amortised over the terms of the agreements to give a constant rate of charge on the remaining balance of the obligations

Rental costs under operating leases are charged to the profit and loss account in equal amounts over the periods of the leases

Research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised and is amortised over the estimated period of benefit once the asset is available for use

2. Intangible fixed assets

	Research & Development £
Cost	
At 1 May 2004	344,727
Additions in year	159,125
	<hr/>
At 30 April 2005	503,852
	<hr/>
Net book value	
At 30 April 2005	503,852
	<hr/>
At 30 April 2004	344,727
	<hr/>

MAX & CO UK LIMITED

Notes to the balance sheet Year ended 30 April 2005

3. Tangible fixed assets

	Total £
Cost	
At 1 May 2004	407,428
Additions in year	26,128
Disposals in year	(9,043)
	<hr/> 424,508
At 30 April 2005	
Accumulated depreciation	
At 1 May 2004	337,921
Charge in year	26,955
Charge on disposal	(8,398)
	<hr/> 356,478
At 30 April 2005	
Net book value	
At 30 April 2005	<hr/> 68,030
At 30 April 2004	<hr/> 69,507

4. Investments held as fixed assets

	Total £
Cost or valuation	
At 1 May 2004 and at 30 April 2005	<hr/> 1

The company owns 100% of the share capital of Max & Co Australia Pty Limited, a company incorporated and registered in Australia. This company is dormant

5. Creditors: amounts falling due within one year

	2005 £	2004 £
Bank overdraft and loan	217,884	125,520
Obligations under finance leases and hire purchase contracts	1,358	11,551
Directors' loans	14,317	36,834
	<hr/> 233,559	<hr/> 173,905

The bank borrowings are secured by a standard security by a bond and floating charge over the assets of the company. Obligations under finance leases and hire purchase contracts are secured over the related assets

MAX & CO UK LIMITED

Notes to the balance sheet Year ended 30 April 2005

6. Creditors: amounts falling due after more than one year

	2005 £	2004 £
Bank loan	80,476	99,047
31 loan	162,500	
Obligations under finance leases and hire purchase contracts	-	1,357
	<u> </u>	<u> </u>
Amounts payable wholly or partly after five years		
Bank loan	-	24,762
	<u> </u>	<u> </u>

7. Called up share capital

	2005 £	2004 £
Authorised:		
116,666 Ordinary shares of £1 00 each	116,666	116,666
68,518 'A' Ordinary shares of £1 00 each	68,518	50,000
100,000 Preference shares of £1 00 each	100,000	-
	<u>285,184</u>	<u>166,666</u>
Called up, allotted and fully paid		
116,666 Ordinary shares of £1 00 each	116,666	116,666
50,000 'A' Ordinary shares of £1 00 each	50,000	50,000
100,000 Preference shares of £1 00 each	100,000	-
	<u>266,666</u>	<u>166,666</u>

Included in called up and allotted share capital are 16,666 ordinary £1 shares which are unpaid

On 29 July 2005 the authorised share capital of the company was increased by the creation of an additional 18,518 new A ordinary shares of £1 each and 100,000 cumulative convertible redeemable preference shares of £1 each

The company issued 50,000 cumulative convertible redeemable preference shares of £1 each on the 2 December 2004 and a further 50,000 cumulative convertible redeemable preference shares of £1 each on the 8 March 2005 to increase the capital base of the company

The cumulative convertible redeemable preference shares are due to be redeemed as specified in the following table

Date	% preference Shares in issue	Price
29 November 2006	25	£1 00
29 November 2007	25	£1 60
29 November 2008	25	£2 40
29 November 2009	Balance	£3 00

The company is also entitled to redeem the cumulative convertible redeemable preference shares at any time provided the shares are redeemed in minimum tranches of 5,000 shares. The redemption price payable per

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Notes to the balance sheet Year ended 30 April 2005

share is the price which would have been payable in respect of each share so redeemed had it been redeemed at the time anticipated in the above table

If the company fails to redeem any cumulative convertible redeemable shares in accordance with the terms above, the profits of the company available for distribution shall be applied first in paying to the holders of the shares a fixed cumulative net cash dividend of £0.10 per share per annum to be payable half yearly on 30 June and 31 December in every year

The cumulative convertible redeemable shares have priority over the A ordinary and ordinary shares for repayment on liquidation

The 'A' ordinary shares are entitled to 15% profit of the company and its subsidiary. This is cumulative from the date of subscription. They have preference over the ordinary shares for repayment in a liquidation and have equal voting rights

The cumulative convertible redeemable shares can be converted into ordinary and deferred shares where there is a material breach of the terms above, provided that the ordinary shares resulting from such a conversion shall not constitute, in aggregate more than 10% of the issued equity shares following conversion. Any convertible shares which by this restriction cannot be converted into ordinary shares shall convert into deferred shares

At 30 April 2005 dividend arrears on the 'A' ordinary shares amounted to £9,298 (2004 £9,298)

8. Related party transactions

During the year Gavin Gordon, a director and shareholder of the company, advanced £11,674 to the company. At the year end £1,374 debit remains outstanding (2004 debtor £8,016)

Gavin Buchan, a director and shareholder of the company, advanced £14,254 to the company. At the year end £6,689 remains outstanding (2004 debtor £13,513)

Ivan Watson, a director and shareholder of the company, advanced £15,305 to the company. At the year end £6,628 remains outstanding (2004 £15,305)

The directors have given personal guarantees of £20,000 each in respect of the bank borrowings