

MDA INTERNATIONAL LIMITED

Report and Financial Statements

Year ended

30 September 2006

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MDA INTERNATIONAL LIMITED

Annual report and financial statements for the year ended 30 September 2006

Contents

Page:

1	Report of the directors
3	Report of the independent auditors
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

Directors

SC Burchett
JA Collinge
JA Gibbs
RJ Kennedy
SR Jones
RW Waddell

Secretary and registered office

S Ives, Philip House, 6 Lansdowne Road, Croydon, Surrey, CR0 2BX

Company number

01895226

Auditors

BDO Stoy Hayward LLP, Northside House, 69 Tweedy Road, Bromley, Kent, BR1 3WA

MDA INTERNATIONAL LIMITED

Report of the directors for the year ended 30 September 2006

The directors present their report together with the audited financial statements for the year ended 30 September 2006.

Results and dividends

The profit and loss account is set out on page 5 and shows the loss for the year.

The directors do not recommend the payment of a dividend.

Principal activities, trading review and future developments

The principal activity is that of a holding company for the international operations of MDA Consulting Limited.

The directors consider the result for the year to be satisfactory and intend to continue in the principal activity for the foreseeable future.

Directors

The directors of the company during the year were:

SC Burchett	
JA Collinge	
JA Gibbs	(appointed 1 August 2006)
CM Johnston	(resigned 28 July 2006)
SR Jones	(appointed 1 August 2006)
RJ Kennedy	(appointed 1 August 2006)
IW Storrier	(resigned 1 August 2006)
RW Waddell	

No director had any beneficial interest in the share capital of the company.

JA Collinge held 1,630 ordinary shares at 10p each in Gullhurst Services Limited, the company's ultimate parent company, at 30 September 2006 (2005 : 1,630 ordinary shares at 10p each).

The interests of JA Gibbs, RJ Kennedy and SR Jones in the share capital of Gullhurst Services Limited are disclosed in the financial statements of that company.

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

MDA INTERNATIONAL LIMITED

Report of the directors for the year ended 30 September 2006 (*Continued*)

Directors' responsibilities (*continued*)

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

Auditors

All of the current directors have taken all 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.

A resolution to reappoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

This directors' report has been prepared in accordance with the special provisions of Section 246 and Schedule VII of the Companies Act 1985 relating to small companies.

On behalf of the Board



JA Gibbs
Director

Date: 20 FEBRUARY 2007

MDA INTERNATIONAL LIMITED

Report of the independent auditors

To the shareholders of MDA International Limited

We have audited the financial statements of MDA International Limited for the year ended 30 September 2006, which comprise of the profit and loss account, the balance sheet 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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, 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 audit 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 judgments 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.

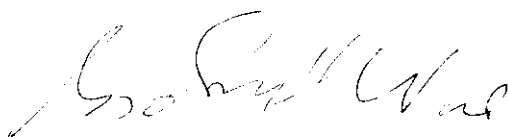
MDA INTERNATIONAL LIMITED

Report of the independent auditors (*Continued*)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2006 and of its loss for the year then ended;
- 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 STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors*
Bromley

Date 20/2/2007

MDA INTERNATIONAL LIMITED**Profit and loss account for the year ended 30 September 2006**

	Note	Total 2006 £'000	Total 2005 £'000
Turnover	1	5	6
Other external charges		(7)	(11)
Administration expenses			
- Inter company balances written off		(253)	1,124
		<hr/>	<hr/>
Operating (loss) / profit	2	(255)	1,119
		<hr/>	<hr/>
(Loss) / profit on ordinary activities before taxation		(255)	1,119
Taxation on (loss) / profit on ordinary activities	3	-	(1)
		<hr/>	<hr/>
(Loss) / profit for the period	9	(255)	1,118
		<hr/>	<hr/>

All amounts related to continuing activities.

There are no recognised gains and losses in the current and prior year other than those passing through the profit and loss account.


The notes on pages 7 to 13 form part of these financial statements.

MDA INTERNATIONAL LIMITED

Balance sheet at 30 September 2006

	Note	2006 £'000	2005 £'000
Fixed assets			
Investments	4	70	180
Current assets			
Debtors : amounts falling due in more than one year	5	8	154
Cash at Bank and in hand		-	-
		<u>8</u>	<u>154</u>
Creditors: amounts falling due within one year	6	<u>-</u>	<u>(1)</u>
Net current (liabilities) / assets		<u>8</u>	<u>153</u>
Net assets		<u>78</u>	<u>333</u>
Capital and reserves			
Called up share capital	7	12	12
Profit and loss account	8	66	321
Shareholders' funds – equity interests	9	<u>78</u>	<u>333</u>

The financial statements were approved by the Board and authorised for issue on 20 FEBRUARY 2007


SP Jones
Director

The notes on pages 7 to 13 form part of these financial statements.

MDA INTERNATIONAL LIMITED

Notes forming part of the financial statements for the year ended 30 September 2006

1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Group financial statements

The company has taken advantage of the exemption (available under S228 of CA 1985) from the obligation to prepare and file Group financial statements with the Registrar of Companies. The company's results have been included within the consolidated financial statements of Gullhurst Services Limited.

These accounts contain information about the company as an individual undertaking and not about its group.

Cashflow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Gullhurst Services Limited.

Turnover

Turnover represents the amounts accrued from group companies and is stated net of value added tax.

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Foreign currency translation

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to the profit and loss account.

The results of overseas operations are translated at the average rate of exchange during the year and the balance sheet translated into sterling at the rate of exchange ruling on the balance sheet date. Exchange differences, which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to the reserves.

All other differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

MDA INTERNATIONAL LIMITED

Notes forming part of the financial statements for the year ended 30 September 2006 (*Continued*)

1 Accounting policies (*Continued*)

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of underlying timing differences; and
- no deferred tax is recognised on the unremitted earnings of overseas subsidiaries and past ventures unless there is a binding agreement to distribute past earnings and the dividend income has been accrued.

Deferred tax balances are not discounted.

Accounting policy for dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Dividends on shares wholly recognised as liabilities are recognised as expenses and classified within interest payable.

2 Operating (loss) / profit

The emoluments of the directors, the only employees of the company and the auditors, were borne by the other group companies.

The administration expenses relate to the write-off of inter company balances of £253,684 (2005 : £1,124,000 write back)

3 Taxation on profit from ordinary activities

	2006 £'000	2005 £'000
<i>Current tax</i>		
UK corporation tax on (losses) / profits of the year	-	1
	<hr/>	<hr/>
Total current tax	-	1
	<hr/>	<hr/>
Taxation on (loss) / profit on ordinary activities	-	1
	<hr/>	<hr/>

MDA INTERNATIONAL LIMITED

Notes forming part of the financial statements for the year ended 30 September 2006 *(Continued)*

3 Taxation on profit from ordinary activities *(Continued)*

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2006 £'000	2005 £'000
(Loss) / profit on ordinary activities before tax	(255)	1,119
(Loss) / profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2005 – 19%)	(48)	213
Effects of:		
Expenses not deductible for tax purposes	48	11
Income not assessable for tax purposes	-	(225)
Losses carried forward	-	-
Non-trade financial profits	-	2
Current tax charge for year	-	1

MDA INTERNATIONAL LIMITED

Notes forming part of the financial statements for the year ended 30 September 2006 (*Continued*)

4 Fixed asset investments

Unlisted

	Shares in participating interests £'000	Shares in group undertakings £'000	Total £'000
<i>Cost</i>			
At 30 September 2005	26	235	261
Disposals	-	(55)	(55)
	<hr/>	<hr/>	<hr/>
At 30 September 2006	26	180	206
	<hr/>	<hr/>	<hr/>
<i>Provisions for diminution in value</i>			
At 30 September 2005	26	55	81
Additions	-	110	110
Disposals	-	(55)	(55)
	<hr/>	<hr/>	<hr/>
At 30 September 2006	26	110	136
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 30 September 2006	-	70	70
	<hr/>	<hr/>	<hr/>
At 30 September 2005	-	180	180
	<hr/>	<hr/>	<hr/>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

MDA INTERNATIONAL LIMITED

Notes forming part of the financial statements for the year ended 30 September 2006 (Continued)

4 Fixed asset investments (Continued)

Holdings of more than 20%

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

Company	Country of registration or Incorporation	Class	Shares held %
Subsidiary undertakings			
Monk Dunstone Associates (Benelux) SA	Belgium	Ordinary	100
MDA Consulting (TCI) Limited	Turks	Ordinary	90
Joint ventures			
MDA Central Europe Limited	UK	Ordinary	50
Participating interests			
MDA Bhurton Consultants Ltd	Mauritius	Ordinary	49
MDA BAL Project Management Sdn Bhd	Malaysia	Ordinary	50
MDA Praha s.r.o. *	Czech Republic	Ordinary	37.5
MDA Budapest *	Hungary	Ordinary	50

* These investments are held indirectly by MDA Central Europe Limited.

5 Debtors : Amounts falling due in more than one year

	2006 £'000	2005 £'000
Amounts owed by group undertakings	8	154

MDA INTERNATIONAL LIMITED

Notes forming part of the financial statements for the year ended 30 September 2006 (Continued)

6 Creditors: amounts falling due within one year

	2006 £'000	2005 £'000
Corporation tax	-	1
	<u>-</u>	<u>1</u>

7 Share capital

	Authorised		Allotted, called up and fully paid	
	2006 £	2005 £	2006 £	2005 £
12,000 Ordinary shares of £1 each	12,000	12,000	12,000	12,000
	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>

8 Reserves

	Profit and loss £'000
Balance at 30 September 2005	321
Loss for the year	(255)
	<u>66</u>
Balance at 30 September 2006	<u>66</u>

9 Reconciliation of movements in shareholders' funds

	2006 £'000	2005 £'000
(Loss) / profit for the financial year	(255)	1,118
Other recognised gains and losses	-	-
	<u>(255)</u>	<u>1,118</u>
Net (decrease) / addition to shareholders' funds	(255)	1,118
Opening shareholders' funds	333	(785)
	<u>333</u>	<u>(785)</u>
Closing shareholders' funds	78	333
	<u>78</u>	<u>333</u>

MDA INTERNATIONAL LIMITED

Notes forming part of the financial statements for the year ended 30 September 2006 *(Continued)*

10 Contingent liabilities

The company and certain other UK group companies have entered into cross guarantees in respect of bank overdrafts and other facilities available, which have Group limits of £1.92m (2005 - £2.15m).

The security given represents a first fixed and floating charge over all assets of the relevant companies.

At the balance sheet date these were being utilised to the extent of £2.08m (2005 - £2.11m).

11 Ultimate parent undertaking

The ultimate parent company of MDA International Limited is Gullhurst Services Limited.

Gullhurst Services Limited is the parent of both the smallest and largest groups of which the company is a member.

The group financial statements of Gullhurst Services Limited are available to the public on payment of the appropriate fee from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

12 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by Gullhurst Services Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and that the company is included in those consolidated financial statements.