

Company Registration No. 3212282 (England and Wales)



MEC INTERNATIONAL LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005



GERALD EDELMAN

CHARTERED ACCOUNTANTS

25 HARLEY STREET · LONDON W1G 9BR

T +44 (0)20 7299 1400 · F +44 (0)20 7299 1401

E gemail@geraldedelman.com

www.geraldedelman.com

MEC INTERNATIONAL LIMITED

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MEC INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO MEC INTERNATIONAL LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of MEC International Limited for the year ended 31 December 2005 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

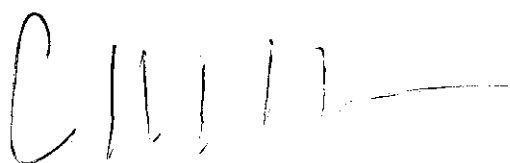
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.



Gerald Edelman

2 August 2006

Chartered Accountants
Registered Auditor

25 Harley Street
London
W1G 9BR

MEC INTERNATIONAL LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Intangible assets	2		6,917		13,832
Tangible assets	2		2,446		3,261
			<u>9,363</u>		<u>17,093</u>
Current assets					
Debtors		1,679		27,517	
Cash at bank and in hand		139,601		70,938	
		<u>141,280</u>		<u>98,455</u>	
Creditors: amounts falling due within one year		<u>(50,607)</u>		<u>(88,521)</u>	
Net current assets			<u>90,673</u>		<u>9,934</u>
Total assets less current liabilities			<u>100,036</u>		<u>27,027</u>
Creditors: amounts falling due after more than one year			<u>(5,768)</u>		<u>(5,768)</u>
			<u>94,268</u>		<u>21,259</u>
Capital and reserves					
Called up share capital	3		100,955		100,955
Share premium account			99,600		99,600
Profit and loss account			(106,287)		(179,296)
Shareholders' funds			<u>94,268</u>		<u>21,259</u>

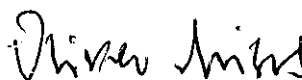
These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board and authorised for issue on 2 August 2006

J Wood
Director



O Miles
Director



MEC INTERNATIONAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Goodwill represents the net excess of purchased consideration of businesses acquired over the fair value of the net tangible assets acquired, and is amortised over its estimated economic life with effect from the period of acquisition.

1.5 Trade marks

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

1.6 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer and office equipment	25% per annum on reducing balance basis
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1.8 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.9 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by material timing differences between the treatment of certain items for taxation and accounting purposes. Recognition of deferred tax asset is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. The deferred tax balance has not been discounted.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

MEC INTERNATIONAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

1 Accounting policies

(continued)

1.11 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2 Fixed assets

	Intangible assets £	Tangible assets £	Total £
Cost			
At 1 January 2005 & at 31 December 2005	69,152	44,832	113,984
Depreciation			
At 1 January 2005	55,320	41,571	96,891
Charge for the year	6,915	815	7,730
At 31 December 2005	62,235	42,386	104,621
Net book value			
At 31 December 2005	6,917	2,446	9,363
At 31 December 2004	13,832	3,261	17,093

MEC INTERNATIONAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

3	Share capital	2005 £	2004 £
	Authorised		
	1,000 Ordinary shares of £1 each	1,000	1,000
	100,000 8% Cumulative redeemable preference shares of £1 each	100,000	100,000
		<u>101,000</u>	<u>101,000</u>
	Allotted, called up and fully paid		
	955 Ordinary shares of £1 each	955	955
	100,000 8% Cumulative redeemable preference shares of £1 each	100,000	100,000
		<u>100,955</u>	<u>100,955</u>

During the year the holders of 8% cumulative redeemable preference shares waived their entitlement to any cumulative dividends for the year.

Subsequent to the year end date the company entered into an agreement with a shareholder, Trilateral Group Limited, for the purchase from that company of 25,000 8% cumulative redeemable preference shares of £1 each at par value. The purchase of the shares from Trilateral Group Limited, which was to be satisfied by a payment out of capital, was completed on 19 May 2006, and the consideration was subsequently paid in full accordance with the provisions of s173 of the Companies Act 1985.

4 Related party transactions

The following transactions and arrangements require disclosure in accordance with the Companies Act 1985 and/or Financial Reporting Standard No 8 - Related Party Transactions:

Trilateral Group Limited, a shareholder company in which J Wood has an interest, owed £1,729 (2004 - £nil) to the company.

Wood Brigdale Nisbet & Robinson Limited, a subsidiary of Trilateral Group Limited, received rent and rates from the company of £18,000 (2004 - £53,000).

Middle East Consultants Limited, in which a director, G F Hancock has an interest, received consultancy fees from the company amounting to £18,628 (2004 - £45,281).

Strategic Communications, in which a director, I Walker has a material interest, received consultancy fees from the company amounting to £43,758 (2004 - £38,468).

O Miles, a director, received consultancy fees from the company amounting to £25,435 (2004 - £21,021).