
SPEARMINT RHINO VENTURES (UK) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2006

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COMPANIES HOUSE

SPEARMINT RHINO VENTURES (UK) LIMITED

COMPANY INFORMATION

DIRECTORS

J Gray
S Warr

SECRETARY

Spearmint Rhino Secretarial Services Limited

COMPANY NUMBER

3914051

REGISTERED OFFICE

161 Tottenham Court Road
London
W1T 7NN

AUDITORS

Hillier Hopkins LLP
Chartered Accountants & Registered Auditor
64 Clarendon Road
Watford
Herts
WD17 1DA

SPEARMINT RHINO VENTURES (UK) LIMITED

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SPEARMINT RHINO VENTURES (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and the financial statements for the year ended 31 December 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of an investment holding company.

BUSINESS REVIEW

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £24,042 (2005 - loss £460,849).

The directors do not recommend payment of an ordinary dividend.

DIRECTORS

The directors who served during the year were

J Gray
S Warr

PROVISION OF INFORMATION TO AUDITORS

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

SPEARMINT RHINO VENTURES (UK) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006**

AUDITORS

The auditors, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

This report was approved by the board on 29 October 2007 and signed on its behalf

J Gray
Director

SPEARMINT RHINO VENTURES (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO SPEARMINT RHINO VENTURES (UK) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts of Spearmint Rhino Ventures (UK) Limited for the year ended 31 December 2006 set out on pages 5 to 16, together with the financial statements of the company for the year ended 31 December 2006 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 work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our 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 246A 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 section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2006/3 'The special Auditors' 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 section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 16 have been properly prepared in accordance with that provision.

OTHER INFORMATION

"On 30 October 2007 we reported as auditors to the company on the financial statements prepared under section 226 of the Companies Act 1985 and included the following statement

SPEARMINT RHINO VENTURES (UK) LIMITED

**INDEPENDENT AUDITORS' REPORT TO SPEARMINT RHINO VENTURES (UK) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

Emphasis of matter

We have considered the adequacy of the disclosures made in note 18 to the financial statements concerning the collection of the amounts due from subsidiary undertakings totalling £3,783,266, and the payment of £2,742,272 owed to Spearmint Rhino Companies (Europe) Limited, £1,738,082 owed to Spearmint Rhino Companies (Birmingham) Limited, £2,705,201 owed to RKW Limited and £25,249 owed to Livorno Leisure Limited

In view of the significance of these factors on the validity of the going concern basis for the preparation of the financial statements we consider that they should be drawn to your attention but our opinion is not qualified in this respect


HILLIER HOPKINS LLP

Chartered Accountants
Registered Auditor

64 Clarendon Road
Watford
Herts
WD17 1DA

30 October 2007

SPEARMINT RHINO VENTURES (UK) LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 £	2005 £
Administrative expenses		<u>(1,056,871)</u>	<u>(1,318,195)</u>
OPERATING LOSS	2	(13,791)	(454,083)
EXCEPTIONAL ITEMS			
Net profit/(loss) on sale of tangible fixed assets	6	<u>-</u>	<u>(83,678)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(13,791)	(537,761)
Interest receivable		2,102	-
Interest payable	5	<u>(17,016)</u>	<u>(16,060)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(28,705)	(553,821)
Tax on loss on ordinary activities	7	<u>4,663</u>	<u>92,972</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	15	<u>(24,042)</u>	<u>(460,849)</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2006 or 2005 other than those included in the Profit and loss account

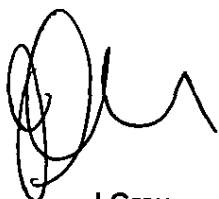
The notes on pages 8 to 16 form part of these financial statements

SPEARMINT RHINO VENTURES (UK) LIMITED

**ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2006**

	Note	£	2006 £	£	2005 £
FIXED ASSETS					
Tangible fixed assets	8		380,261		437,606
Fixed asset investments	9		2,375,284		2,375,284
			<u>2,755,545</u>		<u>2,812,890</u>
CURRENT ASSETS					
Debtors	10	5,057,669		3,680,276	
Cash at bank		100,699		-	
		<u>5,158,368</u>		<u>3,680,276</u>	
CREDITORS amounts falling due within one year	11	(9,206,971)		(7,926,600)	
NET CURRENT LIABILITIES			<u>(4,048,603)</u>		<u>(4,246,324)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(1,293,058)</u>		<u>(1,433,434)</u>
CREDITORS amounts falling due after more than one year	12		(311,786)		(147,368)
NET LIABILITIES			<u>(1,604,844)</u>		<u>(1,580,802)</u>
CAPITAL AND RESERVES					
Called up share capital	14		1,000		1,000
Profit and loss account	15		(1,605,844)		(1,581,802)
SHAREHOLDERS' DEFICIT	16		<u>(1,604,844)</u>		<u>(1,580,802)</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 29.10.07



J Gray
Director

The notes on pages 8 to 16 form part of these financial statements

SPEARMINT RHINO VENTURES (UK) LIMITED

**ABBREVIATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 £	2005 £
Net cash flow from operating activities	17	(75,132)	2,444,554
Returns on investments and servicing of finance	18	(14,914)	(16,060)
Capital expenditure and financial investment	18	2,386	(270,047)
Acquisitions and disposals	18	-	(2,170,102)
CASH OUTFLOW BEFORE FINANCING		(87,660)	(11,655)
Financing	18	262,943	(14,667)
INCREASE/(DECREASE) IN CASH IN THE YEAR		175,283	(26,322)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006 £	2005 £
Increase/(Decrease) in cash in the year	175,283	(26,322)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(262,943)	14,667
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	(87,660)	(11,655)
Other non-cash changes	(1)	-
MOVEMENT IN NET DEBT IN THE YEAR	(87,661)	(11,655)
Net debt at 1 January 2006	(234,260)	(222,605)
NET DEBT AT 31 DECEMBER 2006	(321,921)	(234,260)

The notes on pages 8 to 16 form part of these financial statements

SPEARMINT RHINO VENTURES (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 TURNOVER

Turnover represents management charges from subsidiary companies

1.3 INVESTMENTS

Investments in subsidiaries are valued at cost less provision for impairment

1.4 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	over the period of the lease
Plant & machinery	20%	Straight line
Motor vehicles	20%	Straight line
Fixtures & fittings	20%	Straight line

1.5 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

SPEARMINT RHINO VENTURES (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

1. ACCOUNTING POLICIES (continued)

1.6 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.7 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.8 GOING CONCERN

In the year ended 31 December 2006 the subsidiary companies, Spearmint Rhino Companies (Europe) Limited and Spearmint Rhino Companies (Birmingham) Limited provided support to fellow subsidiary companies via the ultimate parent company

At the balance sheet date the parent company was owed £3,783,266 from subsidiary companies but owed Spearmint Rhino Companies (Europe) Limited £2,742,272, Spearmint Rhino Companies (Birmingham) Limited £1,738,082, RKW Limited £2,705,201 and Livorno Leisure Limited £25,249. The parent company will require significant repayment of the amounts due from subsidiary companies in order to meet its liabilities to Spearmint Rhino (Europe) Limited, Spearmint Rhino Companies (Birmingham) Limited, RKW Limited and Livorno Leisure Limited.

The continued support of these four subsidiary companies is critical to the parent company's ability to continue to provide cashflow assistance to its other subsidiary companies

At the balance sheet date the company also owed the director £1,699,888 and his continued support is essential going forward. In view of the above the directors consider it appropriate to prepare the financial statements on a going concern basis on the basis of the expected continued support from other group companies for the foreseeable future.

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

2. OPERATING LOSS

The operating loss is stated after charging

	2006 £	2005 £
Depreciation of tangible fixed assets		
- owned by the company	50,813	19,300
- held under finance leases	4,146	4,146
Auditors' remuneration	18,496	9,029
	<u> </u>	<u> </u>

3 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2006 £	2005 £
Wages and salaries	700,253	661,280
Social security costs	18,853	16,442
Other pension costs	-	9,024
	<u> </u>	<u> </u>
	719,106	686,746
	<u> </u>	<u> </u>

The average monthly number of employees, including the directors, during the year was as follows

	2006 No	2005 No
Administration	7	8
	<u> </u>	<u> </u>

4. DIRECTORS' REMUNERATION

	2006 £	2005 £
Emoluments	403,385	428,900
	<u> </u>	<u> </u>

The highest paid director received remuneration of £315,539 (2005 - £265,385)

5 INTEREST PAYABLE

	2006 £	2005 £
On bank loans and overdrafts	17,016	14,554
On finance leases and hire purchase contracts	-	1,506
	<u> </u>	<u> </u>
	17,016	16,060
	<u> </u>	<u> </u>

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

6. EXCEPTIONAL ITEMS

	2006 £	2005 £
Profit on sale of property	-	83,678
	<u> </u>	<u> </u>

7. TAXATION

	2006 £	2005 £
ANALYSIS OF TAX CREDIT IN THE YEAR		
CURRENT TAX (see note below)		
Group taxation relief	(5,364)	(91,761)
DEFERRED TAX (see note 13)		
Origination and reversal of timing differences	701	(1,211)
	<u> </u>	<u> </u>
TAX ON LOSS ON ORDINARY ACTIVITIES	<u>(4,663)</u>	<u>(92,972)</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2005 - *lower than*) the standard rate of corporation tax in the UK (30%). The differences are explained below

	2006 £	2005 £
Loss on ordinary activities before tax	(28,705)	(553,821)
	<u> </u>	<u> </u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 - 30%)	(8,612)	(166,146)
EFFECTS OF		
Expenses not deductible for tax purposes	6,639	80,092
Capital allowances for year	(19,878)	(37,845)
Adjustments to tax charge in respect of prior periods	-	25,843
Depreciation add back	16,487	6,295
	<u> </u>	<u> </u>
CURRENT TAX CREDIT FOR THE YEAR (see note above)	<u>(5,364)</u>	<u>(91,761)</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

8 TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
COST					
At 1 January 2006	221,016	211,362	13,250	49,503	495,131
Additions	-	-	-	2,811	2,811
Disposals	-	(5,197)	-	-	(5,197)
At 31 December 2006	<u>221,016</u>	<u>206,165</u>	<u>13,250</u>	<u>52,314</u>	<u>492,745</u>
DEPRECIATION					
At 1 January 2006	9,777	10,576	11,924	25,248	57,525
Charge for the year	2,466	34,424	1,326	16,743	54,959
At 31 December 2006	<u>12,243</u>	<u>45,000</u>	<u>13,250</u>	<u>41,991</u>	<u>112,484</u>
NET BOOK VALUE					
At 31 December 2006	<u>208,773</u>	<u>161,165</u>	<u>-</u>	<u>10,323</u>	<u>380,261</u>
At 31 December 2005	<u>211,239</u>	<u>200,786</u>	<u>1,326</u>	<u>24,255</u>	<u>437,606</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2006 £	2005 £
Furniture, fittings and equipment	<u>3,378</u>	<u>7,524</u>

9 FIXED ASSET INVESTMENTS

	Shares in group under- takings £
COST OR VALUATION	
At 1 January 2006 and 31 December 2006	<u>2,375,284</u>

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

10. DEBTORS

	2006 £	2005 £
Trade debtors	-	2,159
Amounts owed by group undertakings	3,783,266	3,502,854
Other debtors	1,270,746	157,569
Prepayments and accrued income	445	13,782
Deferred tax asset (see note 13)	3,212	3,912
	<u>5,057,669</u>	<u>3,680,276</u>

**11. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2006 £	2005 £
Bank loans and overdrafts	10,778	85,362
Net obligations under finance leases and hire purchase contracts	100,058	1,533
Trade creditors	76,765	52,778
Amounts owed to group undertakings	7,210,804	5,854,994
Social security and other taxes	85,723	122,774
Directors' current accounts	1,699,888	1,777,290
Other creditors	16,819	30,372
Accruals and deferred income	6,136	1,497
	<u>9,206,971</u>	<u>7,926,600</u>

**12. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2006 £	2005 £
Bank loans	134,283	144,812
Net obligations under finance leases and hire purchase contracts	177,503	2,556
	<u>311,786</u>	<u>147,368</u>

The bank loan is a mortgage secured on the long leasehold property. The bank charges a standard variable rate of interest.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2006 £	2005 £
Between one and five years	<u>177,503</u>	<u>2,556</u>

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

13 DEFERRED TAX ASSET

	2006 £	2005 £
At 1 January 2006	3,913	2,701
(Charge for)/released during the year	(701)	1,211
	<u>3,212</u>	<u>3,912</u>
At 31 December 2006	<u>3,212</u>	<u>3,912</u>

The deferred tax asset is made up as follows

	2006 £	2005 £
Accelerated capital allowances	<u>3,212</u>	<u>3,912</u>

14 SHARE CAPITAL

	2006 £	2005 £
AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

15. RESERVES

	Profit and loss account £
At 1 January 2006	(1,581,802)
Loss for the year	(24,042)
	<u>(1,605,844)</u>
At 31 December 2006	<u>(1,605,844)</u>

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2006 £	2005 £
Opening shareholders' deficit	(1,580,802)	(1,119,953)
Loss for the year	(24,042)	(460,849)
	<u>(1,604,844)</u>	<u>(1,580,802)</u>
Closing shareholders' deficit	<u>(1,604,844)</u>	<u>(1,580,802)</u>

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

17 NET CASH FLOW FROM OPERATING ACTIVITIES

	2006 £	2005 £
Operating loss	(13,791)	(454,083)
Depreciation of tangible fixed assets	54,959	23,446
Increase in debtors	(1,097,676)	(306,838)
Increase in amounts owed by group undertakings	(557,889)	-
(Decrease)/increase in creditors	(99,387)	3,090,268
Increase in amounts owed to group undertakings	1,638,652	-
Group relief	-	91,761
NET CASH (OUTFLOW)/INFLOW FROM OPERATIONS	(75,132)	2,444,554

18 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2006 £	2005 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	2,102	-
Interest paid	(17,016)	(16,060)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(14,914)	(16,060)
	2006 £	2005 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(2,811)	(264,892)
Sale of tangible fixed assets	5,197	49,523
Sale of unlisted and other investments	-	(54,678)
NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE	2,386	(270,047)
	2006 £	2005 £
ACQUISITIONS AND DISPOSALS		
Purchase of fixed asset investments	-	(2,170,102)

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

18 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2006 £	2005 £
FINANCING		
Repayment of loans	(10,529)	(6,048)
New/(repayment of) finance leases	273,472	(8,619)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	<u>262,943</u>	<u>(14,667)</u>

19 ANALYSIS OF CHANGES IN NET DEBT

	1 January 2006 £	Cash flow £	Other non-cash changes £	31 December 2006 £
Cash at bank and in hand	-	100,699	-	100,699
Bank overdraft	(74,584)	74,584	-	-
	<u>(74,584)</u>	<u>175,283</u>	<u>-</u>	<u>100,699</u>
DEBT				
Debts due within one year	(12,308)	(262,943)	164,416	(110,835)
Debts falling due after more than one year	(147,368)	-	(164,417)	(311,785)
NET DEBT	<u>(234,260)</u>	<u>(87,660)</u>	<u>(1)</u>	<u>(321,921)</u>

20 PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

21 TRANSACTIONS WITH DIRECTORS

Included in creditors at the balance sheet date is an interest-free director's loan from John Gray, amounting to £1,699,888 (2005 £1,716,902). The maximum loan amount outstanding in the year was £1,716,902 (2005 £1,905,149).