

Company Registration No. 4288359 (England and Wales)

DURGAN MONSTEIN PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006



DURGAN MONSTEIN PLC

COMPANY INFORMATION

Directors	G R Durgan J H Durgan
Secretary	G R Durgan
Company number	4288359
Registered office	10 Station Road Henley on Thames Oxfordshire RG9 1AY
Auditors	E A Kench & Co Chartered Accountants 10 Station Road Henley on Thames Oxfordshire RG9 1AY
Business address	Fielding House, Jubilee Road Littlewick Green Maidenhead SL6 2QU

DURGAN MONSTEIN PLC

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DURGAN MONSTEIN PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006

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

Principal activities and review of the business

The principal activity of the company is that of the provision of mentoring services

During the year the company achieved turnover of £13,000, which resulted in a profit before tax of £4,748. The Directors are satisfied with the results for the year.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Future developments

The Company is expected to trade at increased levels due to new mentoring contracts to the year ending 31st December 2007.

Directors

The following directors have held office since 1 January 2006:

G R Durgan

J H Durgan

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary share of 10p each	
	31 December 2006	1 January 2006
G R Durgan	499,999	499,999
J H Durgan	1	1

Auditors

E A Kench & Co have signified their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the forthcoming annual general meeting.

DURGAN MONSTEIN PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2006

Directors' responsibilities

The directors are responsible for preparing 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

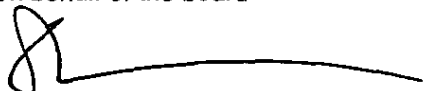
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



G R Durgan

18 OCT 2007

DURGAN MONSTEIN PLC

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF DURGAN MONSTEIN PLC

We have audited the financial statements of Durgan Monstein PLC for the year ended 31 December 2006 set out on pages 5 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, and whether in our opinion the information given in the directors' report is consistent with the 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.

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 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.

DURGAN MONSTEIN PLC

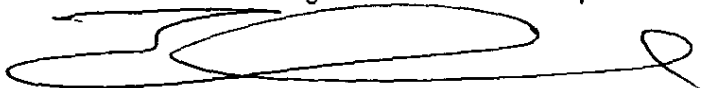
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF DURGAN MONSTEIN PLC

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 31 December 2006 and of its profit for the year then ended and 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



E A Kench & Co

Chartered Accountants
Registered Auditor

19 OCT 2007

10 Station Road
Henley on Thames
Oxfordshire
RG9 1AY

DURGAN MONSTEIN PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Turnover	2	13,000	15,000
Cost of sales		(2,000)	(4,040)
Gross profit		11,000	10,960
Administrative expenses		(6,734)	(5,629)
Operating profit	3	4,266	5,331
Other interest receivable and similar income	4	482	446
Profit on ordinary activities before taxation		4,748	5,777
Tax on profit on ordinary activities	5	(914)	(1,132)
Profit for the year	9	3,834	4,645

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account

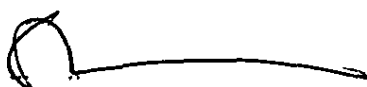
DURGAN MONSTEIN PLC

BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
Current assets					
Debtors	6	8,000		10,906	
Cash at bank and in hand		28,298		17,969	
		<u>36,298</u>		<u>28,875</u>	
Creditors: amounts falling due within one year	7	<u>(7,015)</u>		<u>(3,427)</u>	
Total assets less current liabilities			<u>29,283</u>		<u>25,448</u>
Capital and reserves					
Called up share capital	8	12,500		12,500	
Profit and loss account	9	16,783		12,948	
Shareholders' funds	10		<u>29,283</u>		<u>25,448</u>

Approved by the Board and authorised for issue on 18 OCT 2007


G R Durgan
Director

DURGAN MONSTEIN PLC

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

	£	2006 £	£	2005 £
Net cash inflow from operating activities		10,944		2,208
Returns on investments and servicing of finance				
Interest received	482		446	
Net cash inflow for returns on investments and servicing of finance		482		446
Taxation		(1,097)		(416)
Net cash inflow before management of liquid resources and financing		10,329		2,238
Increase in cash in the year		10,329		2,238

DURGAN MONSTEIN PLC

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

1	Reconciliation of operating profit to net cash inflow from operating activities	2006	2005
		£	£
	Operating profit	4,266	5,331
	Decrease/(increase) in debtors	2,906	(3,060)
	Increase/(decrease) in creditors within one year	3,772	(63)
	Net cash inflow from operating activities	10,944	2,208

2	Analysis of net funds	1 January 2006	Cash flow	Other non-cash changes	31 December 2006
		£	£	£	£
	Net cash				
	Cash at bank and in hand	17,969	10,329	-	28,298
	Bank deposits	-	-	-	-
	Net funds	17,969	10,329	-	28,298

3	Reconciliation of net cash flow to movement in net funds	2006	2005
		£	£
	Increase in cash in the year	10,329	2,238
	Movement in net funds in the year	10,329	2,238
	Opening net funds	17,969	15,731
	Closing net funds	28,298	17,969

DURGAN MONSTEIN PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Turnover

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

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3	Operating profit	2006 £	2005 £
	Operating profit is stated after charging		
	Auditors' remuneration	2,300	2,200
	Remuneration of auditors for non-audit work	2,998	1,908

4	Investment income	2006 £	2005 £
	Bank interest	482	446

5	Taxation	2006 £	2005 £
	Domestic current year tax		
	U K corporation tax	874	1,057
	Adjustment for prior years	40	75
	Current tax charge	914	1,132

6	Debtors	2006 £	2005 £
	Trade debtors	-	5,875
	Other debtors	-	31
	Prepayments and accrued income	8,000	5,000
		8,000	10,906

DURGAN MONSTEIN PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

7	Creditors amounts falling due within one year	2006	2005
		£	£
	Corporation tax	874	1,057
	Other taxes and social security costs	192	-
	Directors' current accounts	1,058	-
	Accruals and deferred income	4,891	2,370
		<u>7,015</u>	<u>3,427</u>
8	Share capital	2006	2005
		£	£
	Authorised		
	500,000 Ordinary shares of 10p each	<u>50,000</u>	<u>50,000</u>
	Allotted, called up and partly paid		
	500,000 Ordinary shares on which 2 5p has been paid	<u>12,500</u>	<u>12,500</u>
9	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 January 2006		12,949
	Retained profit for the year		<u>3,834</u>
	Balance at 31 December 2006		<u>16,783</u>
10	Reconciliation of movements in shareholders' funds	2006	2005
		£	£
	Profit for the financial year	3,834	4,645
	Opening shareholders' funds	<u>25,448</u>	<u>20,803</u>
	Closing shareholders' funds	<u>29,283</u>	<u>25,448</u>
11	Directors' emoluments	2006	2005
		£	£
	Emoluments for qualifying services	<u>900</u>	<u>905</u>

DURGAN MONSTEIN PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

12 Employees

Number of employees

There were no employees during the year apart from the directors

Employment costs	2006 £	2005 £
Wages and salaries	900	905
Social security costs	274	320
	<u>1,174</u>	<u>1,225</u>

DURGAN MONSTEIN PLC
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2006

DURGAN MONSTEIN PLC

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

		2006		2005
	£	£	£	£
Turnover				
Sales		13,000		15,000
Cost of sales				
Subcontract fees	2,000		4,040	
		(2,000)		(4,040)
Gross profit		11,000		10,960
Administrative expenses				
Directors' remuneration	900		905	
Employer's N I contributions	274		320	
Accountancy	2,998		1,908	
Audit fees	2,300		2,200	
Bank charges	183		166	
Sundry expenses	79		130	
		6,734		5,629
Operating profit		4,266		5,331
Other interest receivable and similar income				
Bank interest received		482		446
Profit before taxation		4,748		5,777