Company Registration No SC296339

MONO GLOBAL GROUP LIMITED

Report and Financial Statements

31 August 2007

MONO GLOBAL GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

CONTENTS

MONO GLOBAL GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

B D Dougherty
G F Hill
K J Lyon
R D Cairns
R Dickson

SECRETARY

B D Dougherty

REGISTERED OFFICE

Third floor
48 St Vincent Street
Glasgow
G2 5TS

BANKERS

Bank of Scotland
11 Renfield Street
Glasgow
G2 5EZ

SOLICITORS

Brechin Tindal Oatts
48 St Vincent Street
Glasgow
G2 5HS

INDEPENDENT AUDITORS

Deloitte & Touche LLP
Glasgow

DIRECTORS' REPORT (CONTINUED)

The directors present their annual report and the audited financial statements for the year ended 31 August 2007

Business Review and Principal Activities

The group's principal activity continues to be the provision of support services to mobile telecommunications operators and associated equipment manufacturers

During the year, the Group added to its service offering by acquiring Trucomm Limited in July 2007 This acquisition provides the group with the skills and personnel to offer IC&I, Microwave Link and Rigging services to its clients and enables the group to offer a full, in house range of services

Other than the above acquisition, there have not been any significant changes in the group's activities in the period under review, nor are the directors aware of any likely changes in the forthcoming year

The consolidated results are as shown in the group profit and loss account on page 6 While the comparative numbers are for 7 months due to the mid year acquisition of Mono Global Limited, the following comparisons are based on the underlying, full year numbers

Sales, on an annualised basis, increased by 13% reflecting substantial ATP sales, the commencement of the Site Share contract for O2(UK)Ltd, increased activity levels in our Field Services Division and the inclusion of Trucomm Limited's sales As a result, our average employee numbers rose by 15%

The group's key measure of performance is its operating profit in both absolute terms and as a percentage of income The areas that have shown growth, in the period under review, are those where margins are much tighter and as a result, operating profits, at just under £1m, were 21% down on the previous year and amounted to 4 4% on sales (down from 9 2% last year) The directors have actioned substantial reductions in overheads but the full benefit of these will not be seen until the year commencing 1st September 2007

During the period, the group's control over work in progress and debtors resulted in a substantial improvement in the bank overdraft position The overdraft reduced by 42% during the year to finish at £1 3m

While the next financial year will be challenging, reflecting the significant changes taking place in the mobile telecommunications market place, the directors believe that the wide range of services provided by the group and the reductions in the overhead cost base will position the group to deliver a successful performance in the next financial year

Principal Risks and Uncertainties

The group, like any other business, is exposed to the risk of a downturn in business within the telecommunications service sector The group manages this risk by focussing on the range and quality of the services it provides to its customers while identifying and pursuing new or additional opportunities

In terms of pricing risk, the risk of the group receiving low prices compared to market levels is mitigated by the use of up to date market intelligence and internal review of pricing assumptions

The group and the company have minimal exposure to currencies other than sterling and the directors do not consider that there is a requirement for currency hedging as the financial exposure is not significant

The company has an interest rate hedging strategy and has entered into a zero cost, interest rate collar which addresses the interest rate exposure on the two long term bank loans (Mezzanine and Junior Subordinated Loans) which, at the end of the period under review, represented 61% of the total bank loans The directors consider that this strategy sufficiently protects the company against the financial exposure to significant interest rate fluctuations

The group is exposed to the risk of default by its trade debtors The directors consider this risk to be minimised due to their customer base being largely represented by listed companies with whom they have a strong customer relationship and by exercising strong credit control

The trade debtors presented in the consolidated balance sheet are stated net of provision for doubtful debts Provision is made where the directors consider there to be a risk that the full amount of the outstanding receivable will not be recoverable

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long term and short term finance

DIRECTORS' REPORT (CONTINUED)

Results and Dividends

The loss for the financial year was £371,267 (2006 – profit of £23,224) The directors propose that the loss for the year is transferred against reserves

Directors

The directors who served during the year, are as follows

B D Dougherty	
R D Cairns	
R J MacFarlane	(resigned 23 October 2006)
G F Hill	
K J Lyon	
R Dickson	(appointed 28 September 2006)
S McFeeley	(appointed 2 October 2006, resigned 14 February 2007)

Independent auditors

Each of the persons who is a director at the date of approval of this report confirms that

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

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed by order of the Board

B D Dougherty
Secretary

27 March 2008

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 group and of the profit or loss of the group for that period In preparing these 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, 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 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MONO GLOBAL GROUP LIMITED

We have audited the financial statements of Mono Global Group Limited for the year ended 31 August 2007 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes 1 to 27 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 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 are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements

In addition we 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 the 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 group's and 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

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 group's and the parent company's affairs as at 31 August 2007 and of the group's 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

Deloitte x Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Glasgow, United Kingdom

15th April 2008

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 31 August 2007

	Note	Year ended 31 August 2007 £	7 months ended 31 August 2006 £
TURNOVER·			
Existing operations		22,172,203	10,560,500
Acquisitions		368,366	
	1	22,540,569	10,560,500
Cost of sales		(18,146,010)	(7,705,606)
Gross profit		4,394,559	2,350,894
Other operating expenses	2	(3,460,600)	(1,682,122)
OPERATING PROFIT:			
Existing operations		915,885	668,772
Acquisitions		18,074	
		933,959	668,772
Finance charges (net)	3	(1,212,711)	(548,942)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(278,752)	119,830
Tax on (loss)/profit on ordinary activities	6	(92,515)	(92,325)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(371,267)	27,505
Minority interest	19		(4,281)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	17	(371,267)	23,224

The group has no recognised gains or losses in either year other than the (loss)/profit for that period, accordingly no Statement of Total Recognised Gains and Losses is presented

On 19 July 2007 Mono Global Group Limited acquired the entire issued share capital of Trucomm Limited

The accompanying notes are an integral part of this consolidated profit and loss account

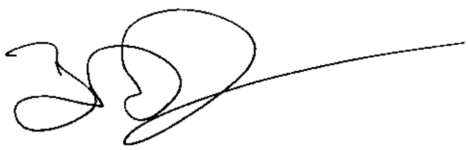
MONO GLOBAL GROUP LIMITED

CONSOLIDATED BALANCE SHEET
As at 31 August 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Intangible assets	8	7,875,244	8,189,383
Tangible assets	9	298,372	437,744
		8,173,616	8,627,127
CURRENT ASSETS			
Stocks	11	3,392,972	3,160,705
Debtors	12	5,318,961	5,472,651
Cash at bank and in hand			673
		8,711,933	8,634,029
CREDITORS amounts falling due within one year	13	(8,253,943)	(7,942,936)
NET CURRENT ASSETS		457,990	691,093
TOTAL ASSETS LESS CURRENT LIABILITIES		8,631,606	9,318,220
CREDITORS amounts falling due after more than one year	14	(6,967,123)	(7,261,087)
NET ASSETS		1,664,483	2,057,133
CAPITAL AND RESERVES			
Called up share capital	16	1,992,342	1,992,342
Share premium	17	20,184	20,184
Profit and loss account	17	(348,043)	23,224
SHAREHOLDERS' FUNDS	18	1,664,483	2,035,750
Minority interest	19		21,383
TOTAL CAPITAL EMPLOYED		1,664,483	2,057,133

These financial statements were approved by the Board of Directors on 27 March 2008

Signed on behalf of the Board of Directors



B D Dougherty
Director

COMPANY BALANCE SHEET
As at 31 August 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Investments	10	4,119,916	4,091,235
CURRENT ASSETS			
Debtors due within one year	12	25,000	25,000
due after more than one year	12	5,658,362	5,658,362
		5,683,362	5,683,362
CREDITORS: amounts falling due within one year	13	(2,661,263)	(1,119,081)
NET CURRENT ASSETS		3,022,099	4,564,281
TOTAL ASSETS LESS CURRENT LIABILITIES		7,142,015	8,655,516
CREDITORS: amounts falling due after more than one year	14	(6,943,196)	(7,212,732)
NET ASSETS		198,819	1,442,784
CAPITAL AND RESERVES			
Called up share capital	16	1,992,342	1,992,342
Share premium account	17	20,184	20,184
Profit and loss account	17	(1,813,707)	(569,742)
SHAREHOLDERS' FUNDS		198,819	1,442,784

These financial statements were approved by the Board of Directors on 27 March 2008

Signed on behalf of the Board of Directors

B D Dougherty
Director

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 August 2007

	Note	Year ended 31 August 2007 £	7 month period ended 31 August 2006 £
Net cash inflow/(outflow) from operating activities	20	2,708,124	(5,938,483)
Returns on investment and servicing of finance	21a)	(896,361)	(401,365)
Taxation	21b)	(261,025)	(446,747)
Capital expenditure and financial investment	21c)	(63,697)	(94,545)
Acquisitions and disposals	21d)	(42,064)	(3,239,138)
Cash inflow/(outflow) before financing		1,444,977	(10,120,278)
Financing	21e)	(529,666)	7,939,681
Increase/(decrease) in cash	22	915,311	(2,180,597)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2007

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below They have all been applied consistently throughout the year and the preceding period

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable *United Kingdom accounting standards*

Basis of consolidation

The group financial statements consolidate the financial statements of Mono Global Group Limited and its subsidiary undertakings The results of the subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed Acquisitions are accounted for under the acquisition method

Tangible fixed assets

Fixed assets are stated at historical cost, net of depreciation and any provision for impairment

Depreciation is provided on all tangible fixed assets at rates calculated to write down each asset to its estimated residual value evenly over its expected useful life, as follows

Fixtures, fittings & equipment	4 years
Office equipment	2 5 years
Vehicles	4 years

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life which is 20 years Provision is made for any impairment

Stocks

Work in progress is valued at the lower of cost and net realisable value Cost of work in progress includes material, labour and subcontractor costs Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal

Taxation

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

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions 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 group'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 have been recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, 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 is not recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold

Deferred tax is measured at the average tax 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

1 ACCOUNTING POLICIES (CONTINUED)

Investments

Fixed asset investments are shown at cost less provision for impairment

Pension contributions

The group operates a defined contribution pension scheme Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme Differences between contributions payable and contributions actually paid are included in prepayments or accruals in the balance sheet

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the lease Hire purchase transactions are dealt with in the same way except that assets are depreciated over their useful lives

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term even if payments are not made on such a basis

Turnover

Turnover comprises the invoiced value of goods sold and services provided to customers, net of VAT

Turnover and loss before taxation are attributable to the principal activities of the group In the opinion of the directors it would be seriously prejudicial to disclose the geographic market segments of turnover and loss on ordinary activities before taxation

Finance costs

Finance costs of debt are deferred in the balance sheet and amortised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount

2 OTHER OPERATING EXPENSES

	Year ended 31 August 2007 £	7 months ended 31 August 2006 £
Administrative expenses	3,460,600	1,682,122

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

3. FINANCE CHARGES (NET)

	Year ended 31 August 2007 £	7 months ended 31 August 2006 £
Bank interest received	15,224	46,138
Bank interest paid	(921,338)	(442,102)
Redemption premium	(298,188)	(149,094)
Hire purchase interest	(8,409)	(3,884)
	(1,227,935)	595,080
	(1,212,711)	(548,942)

4. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is stated after charging

		Year ended 31 August 2007 £	7 months ended 31 August 2006 £
Depreciation on tangible fixed assets	owned assets	221,102	136,504
	leased assets	63,285	
Operating lease rentals			
land and buildings		290,141	105,002
plant and machinery		325,797	157,919
Amortisation of goodwill (note 8)		511,472	253,622
Amortisation of costs incurred arranging loans		57,276	28,638

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

4. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (CONTINUED)

The analysis of auditors' remuneration is as follows

	Year ended 31 August 2007 £	7 months ended 31 August 2006 £
Fees payable to the company's auditors for the audit of the company's annual accounts	1,500	1,500
Fees payable to the company's auditors for other services to the group		
The audit of the company's subsidiaries pursuant to legislation	29,000	24,000
Total audit fees	30,500	25,500
Other services pursuant to legislation		
Tax services	6,500	6,500
Corporate finance services		125,088
Total non audit fees	6,500	131,588

5 STAFF COSTS

The average monthly number of employees (including executive directors) was

	Year ended 31 August 2007 £	7 months ended 31 August 2006 £
Professional	155	136
Administration	24	19
	179	155

	Year ended 31 August 2007 £	7 months ended 31 August 2006 £
Their aggregate remuneration comprised		
Wages and salaries	5,822,312	2,236,065
Social security costs	451,651	237,463
Other pension costs (note 24)	240,974	80,527
	6,514,937	2,554,055

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

5. STAFF COSTS (CONTINUED)

Directors' remuneration

Directors' remuneration was as follows

	Year ended 31 August 2007 £	7 months ended 31 August 2006 £
Emoluments	891,548	380,216
Contributions to money purchase pension scheme	109,402	47,169
	1,000,950	427,385

7 directors were members of the money purchase pension scheme in 2007 (2006 – 5)

Highest paid director

The above amounts for remuneration include the following in respect of the highest paid director

	Year ended 31 August 2007 £	7 months ended 31 August 2006 £
Emolument	220,286	120,701
Contributions to money purchase pension scheme	24,000	11,619
	244,286	132,320

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

6. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises

	Year ended 31 August 2007 £	7 months ended 31 August 2006 £
UK Corporation tax		
UK corporation tax on (loss)/profit for the period	129,997	103,251
Adjustment in respect of prior periods	(1,454)	(1,913)
	128,543	101,338
Deferred tax		
Originating and reversal of timing differences	(37,480)	(7,663)
Adjustment in respect of prior period	1,452	(1,350)
	92,515	92,325

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	Year ended 31 August 2007 £	7 months ended 31 August 2006 £
(Loss)/profit on ordinary activities before taxation	(278,752)	119,830
Tax on (loss)/profit on ordinary activities at standard UK corporation tax rate of 30%	(83,626)	35,949
Effect of		
Disallowed expenses and non taxable income	194,030	65,139
Deferred taxation	37,480	7,663
Adjustments in respect of prior periods	(1,454)	(1,913)
Rate differences	(1,621)	(5,500)
Losses brought forward	(16,266)	
Current tax charge	128,543	101,338

7. LOSS ATTRIBUTABLE TO MONO GLOBAL GROUP LIMITED

The loss for the financial year after tax dealt with in the financial statements of the parent company, Mono Global Group Limited, was £1,243,965 (2006 £569,742) As permitted by Section 230 of the Companies Act 1985, no separate profit and loss account is presented in respect of this company

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

8 INTANGIBLE FIXED ASSETS

	Goodwill £
Group	
Cost	
At 1 September 2006	8,443,005
Additions in the year (note 10)	218,716
Minority interest purchased (note 19)	(21,383)
At 31 August 2007	8,640,338
Amortisation	
At 1 September 2006	253,622
Charge for the year	511,472
At 31 August 2007	765,094
Net book value	
At 31 August 2007	7,875,244
At 31 August 2006	8,189,383

Goodwill on the acquisition of Mono Global Limited and its subsidiaries is being written off over its estimated useful life of 20 years

Goodwill on the acquisition of Trucomm Limited is being written off over 10 years

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

9. TANGIBLE FIXED ASSETS

	Vehicles	Fixtures, fittings and equipment	Office equipment	Total
	£	£	£	£
Group				
Cost				
At 1 September 2006	364,398	299,582	894,366	1,558,346
Additions		1,160	62,537	63,697
Disposals	(13,921)			(13,921)
Acquisition of subsidiary undertaking	130,679	15,699	22,426	168,804
At 31 August 2007	481,156	316,441	979,329	1,776,926
Accumulated Depreciation				
At 1 September 2006	223,588	211,358	685,656	1,120,602
Charge for the year	66,974	59,116	158,297	284,387
Disposals	(13,921)			(13,921)
Acquisition of subsidiary undertaking	66,110	9,161	12,215	87,486
At 31 August 2007	342,751	279,635	856,168	1,478,554
Net book value				
At 31 August 2007	138,405	36,806	123,161	298,372
At 31 August 2006	140,810	88,224	208,710	437,744

The net book value of the assets held under hire purchase contracts at 31 August 2007 was £112,496 (2006 £112,921)

The company has no tangible fixed assets.

10. INVESTMENTS

	31 August 2007	31 August 2006
	£	£
Company		
Subsidiary undertakings		
Cost at 1 September 2006	4,091,235	4,091,235
Additions in the year	28,681	
Cost at 31 August 2007	4,119,916	4,091,235

Acquisition of subsidiary undertakings

On 19th July 2007 the group acquired the entire issued share capital of Trucomm Limited for a consideration of £28,681

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

10. INVESTMENTS (CONTINUED)

The following table sets out the book value of the identifiable assets and liabilities acquired and their fair value to the group

	Book value £		Fair value adjustments £	Fair value £
Fixed assets				
Tangible fixed assets	81,318			81,318
Current assets				
Stock	134,787			134,787
Debtors	276,005			276,005
Cash	467			467
	411,259			411,259
Current liabilities				
Bank overdraft	(220,689)			(220,689)
Trade creditors	(132,233)			(132,233)
Accruals	(31,551)	(1)	(40,385)	(71,936)
Other creditors	(38,219)			(38,219)
Other taxes and social security	(104,003)	(2)	(24,288)	(128,291)
Directors loan account	35,448	(2)	(35,448)	
Hire purchase contracts	(64,253)			(64,253)
Amounts owed to group undertakings	(7,818)			(7,818)
Corporation tax	(17,048)			(17,048)
Deferred tax	(2,125)			(2,125)
	(582,491)		(100,121)	(682,612)
Net current liabilities	(171,232)		(100,121)	(271,353)
Net liabilities	(89,914)		(100,121)	(190,035)
Goodwill				218,716
				28,681
Satisfied by				
Cash				28,681

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

10. INVESTMENTS (CONTINUED)

Details of the fair value adjustments are as follows

1 Miscellaneous accruals identified by the directors

2 Adjustment to directors' loan account

Net cash outflows in respect of the acquisition comprised

	£
Cash consideration	(28,681)
Net overdraft acquired	(13,383)
	(42,064)

Trucomm Limited earned a loss after taxation of £321,499 in the eleven months ended 31 August 2007 (year ended 30 September 2006 – profit £77,318), of which £342,967 arose in the period from 1 October 2006 to 19 July 2007 The summarised profit and loss account for the period from 1 October 2006 to 19 July 2007, shown on the basis of the accounting policies of Trucomm Limited prior to the acquisition, are as follows

	£
Profit and loss account	
Turnover	1,170,293
Cost of sales	(1,116,834)
Gross profit	53,459
Other operating expenses (net)	(403,978)
Operating loss	(350,519)
Finance charges (net)	(7,552)
Loss on ordinary activities before taxation	(342,967)
Tax on loss on ordinary activities	
Loss on ordinary activities after taxation	(342,967)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

10. INVESTMENTS (CONTINUED)

The group has investments in the following subsidiary undertakings

	Country of incorporation	Principal activity	Holding Ordinary shares
Mono Global Limited	Scotland	Non trading	100%
Mono Scotland Limited	Scotland	Non trading	100%
Mono Consultants Limited *	Scotland	Project managers for telecommunications operators	100%
Mono Consultants (Southern) Limited *	Scotland	Non trading	100%
Mono Electrical Services Limited**	Scotland	Non trading	100%
Tracklift Limited***	Scotland	Specialised logistics	100%
Trucomm Limited	Scotland	Provision of network solutions	100%

* The investment in Mono Consultants and Mono Consultants (Southern) Limited is held through Mono Scotland Limited

** The investment in Mono Electrical Services Limited is held through Mono Consultants Limited

*** The investment in Tracklift Limited is held through Mono Global Limited

11. STOCK

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Raw materials	18,167	20,765		
Work in progress	3,374,805	3,139,940		
	3,392,972	3,160,705		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

12. DEBTORS

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Trade debtors	4,719,058	4,932,228		
Other debtors	490,411	464,834	25,000	25,000
Amounts owed by subsidiaries			5,658,362	5,658,362
Deferred tax asset	109,492	75,589		
	5,318,961	5,472,651	5,683,362	5,683,362

Debtors include amounts owed by subsidiary undertakings of £5,658,362 (2006 £5,658,362) which is due after more than one year

Deferred tax asset

	Group 2007 £	Group 2006 £	Company 2007 £	Companv 2006 £
At 1 September 2006	75,589	75,589		
Acquisition of subsidiary undertaking	(2,125)			
Credited to profit and loss account (note 6)	36,028			
At 31 August 2007	109,492	75,589		

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Other timing differences	12,717	5,952		
Accelerated capital allowances	96,775	69,637		
Discounted and undiscounted deferred tax asset	109,492	75,589		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Bank loans (note 14)	625,000	475,000	625,000	475,000
Trade creditors	3,899,572	3,126,780		
Bank overdraft	1,265,286	2,181,270	1,989,014	638,644
Amounts owed to group undertakings			20,456	
UK corporation tax payable	125,329	240,764		
Other taxation and social security	675,854	512,849		
Accruals and deferred income	1,578,250	1,355,636	26,793	5,437
Obligations under hire purchase contracts (note 14)	84,652	50,637		
	8,253,943	7,942,936	2,661,263	1,119,081

The group has granted a bond and a floating charge over its assets to secure the loan and overdraft facilities

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Bank loans	6,725,000	7,350,000	6,725,000	7,350,000
Redemption premium	447,282	149,094	447,282	149,094
Net costs associated with arranging loans	(229,086)	(286,362)	(229,086)	(286,362)
Obligations under hire purchase contracts	23,927	48,355		
	6,967,123	7,261,087	6,943,196	7,212,732

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Bank loans				
Due between one and two years	625,000	625,000	625,000	625,000
Due between two and five years	6,318,196	6,587,732	6,100,000	6,725,000
	6,943,196	7,212,732	6,725,000	7,350,000
On demand or within one year	625,000	475,000	625,000	475,000
	7,568,196	7,687,732	7,350,000	7,825,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Obligations under hire purchase contracts				
Due between one and two years	18,952	43,499		
Due between two and five years	4,975	4,856		
	23,927	48,355		
On demand or within one year	84,652	50,637		
	108,579	98,992		
Total borrowings				
Between one and two years	643,952	668,499	625,000	625,000
Between two and five years	6,323,171	6,952,588	6,100,000	6,725,000
	6,967,123	7,261,087	6,725,000	7,350,000
On demand or within one year	709,652	525,637	625,000	475,000
	7,676,775	7,786,724	7,350,000	7,825,000

The bank loans are repayable and interest is charged as shown below

	31 August 2007 Balance	Method	Repayment date	Interest rate
Senior loan	£2,275,000	Quarterly instalments	Quarterly until 31 August 2011	Libor +2 75%
Mezzanine loan	£1,400,000	Single payment	31 August 2011	Libor +4%
Subordinated loan	£3,050,000	Single payment	31 August 2011	Libor +6%

Redemption premiums of £420,000 and £1,120,000 are payable on 31 August 2011 on the repayment of the Mezzanine Loan and the Subordinated Loan respectively These are being accrued in equal monthly instalments over the expected term of the loan The cumulative amount appropriated in respect of this premium amounted to £447,282 (2006 £149,094)

Obligations under hire purchase contracts are secured against the related assets

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

15 FINANCIAL ASSETS AND LIABILITIES

The Group holds financial instruments only to manage the interest rate risk arising from its borrowings As all transactions are undertaken in sterling and within the UK, there is no perceived currency risk No speculative transactions are permitted

The Group's borrowings are wholly in relation to the acquisition of Mono Global Limited and are secured by a floating charge over the subsidiaries' assets The loans are repayable over a five year period from inception Accordingly a long term approach has been taken by the Group when reviewing interest rate risk The risk has been managed by entering into an interest rate collar covering 61% of the Group's bank borrowings

The Group has defined financial assets and liabilities as those of a financial nature, being cash and group borrowings Short term debtors and creditors, taxation prepayments and accruals are not considered

Financial assets

The Group has no financial assets, other than short term debtors and a small amount of cash at bank

Financial liabilities

All of the Group's financial liabilities during the period to 31 August 2007 were subject to floating rate interest

Floating rate loans bear interest based on short term inter bank rates (mainly 3 month LIBOR) and base rates

Fair values of financial assets and financial liabilities

	Book Value £000	Fair Value £000
Short term financial liabilities and current portion of long term borrowings	(1,975)	(2,034)
Long term borrowings	(7,196)	(9,442)
Derivative financial instruments held to manage the interest rate profile		
Interest rate collar		(125)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

16. CALLED UP SHARE CAPITAL

	2007 £	2006 £
Authorised		
1,381,695 Ordinary shares of 25p each	345,424	345,424
345,405 'A' Ordinary shares of 25p each	86,351	86,351
	431,775	431,775
1,567,067 Preference shares of £1 each	1,567,067	1,567,067
	1,998,842	1,998,842
Allotted, called up and fully paid		
1,355,695 Ordinary shares of 25p each	338,924	338,924
345,405 'A' Ordinary shares of 25p each	86,351	86,351
	425,275	425,275
1,567,067 Preference shares of £1 each	1,567,067	1,567,067
	1,992,342	1,992,342

The A ordinary shares and the ordinary shares rank pari passu

The preference shares are non redeemable and carry no rights to any fixed dividends

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

17. RESERVES

	Share premium account £	Profit and loss account £	Total £
Group			
At 1 September 2006	20,184	23,224	43,408
Loss for the financial year		(371,267)	(371,267)
At 31 August 2007	20,184	(348,043)	(327,859)

	Share premium account £	Profit and loss account £	Total £
Company			
At 1 September 2006	20,184	(569,742)	(549,558)
Loss for the financial year		(1,243,965)	(1,243,965)
At 31 August 2007	20,184	(1,813,707)	(1,793,523)

18 RECONCILIATION OF MOVEMENTS IN GROUP SHAREHOLDERS' FUNDS

	2007 £	2006 £
(Loss)/profit for the financial year	(371,267)	23,224
New shares issued		2,012,526
Net addition to shareholders' funds	(371,267)	2,035,750
Opening shareholders' funds	2,035,750	
Closing shareholders' funds	1,664,483	2,035,750

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

19 MINORITY INTEREST

	2007 £	2006 £
At 1 September 2006	21,383	
On acquisition		17,102
Share of profit on ordinary activities after tax		4,281
Minority interest purchased	(21,383)	
At 31 August 2007		21,383

The minority interest in the consolidated financial statements of Mono Global Group Limited arose as a result of a temporary set of circumstances At the time of the acquisition of Mono Global Limited, 26,000 ordinary shares (1 5% of the issued ordinary share capital) in that company were held by two former employees of the group It was therefore considered inappropriate to exchange these for shares in Mono Global Group Limited at the same time as the remainder of the ordinary shares

Post acquisition these shares were purchased by three serving directors of Mono Global Group Limited and during the year ended 31 August 2007, these shares were exchanged for the same number of shares in Mono Global Group Limited, thereby eliminating the minority interest in the financial statements

20 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	Year ended 31 August 2007 £	7 months ended 31 August 2006 £
Operating profit	933,959	668,772
Depreciation of tangible fixed assets	284,387	136,504
Increase in stocks	(97,480)	(294,909)
Decrease/(increase) in debtors	463,598	(1,016,392)
(Increase)/decrease in creditors	554,911	(5,714,718)
Amortisation of goodwill	511,473	253,622
Amortisation of finance costs	57,276	28,638
Net cash inflow/(outflow) from operating activities	2,708,124	(5,938,483)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

21. ANALYSIS OF CASH FLOWS

	Year ended 31 August 2007 £	7 months ended 31 August 2006 £
a) Returns on investment and servicing of finance		
Interest received	15,224	46,138
Interest paid	(911,585)	(447,503)
Net cash outflow	(896,361)	(401,365)
b) Taxation		
Corporation tax paid	(261,025)	(446,747)
c) Capital expenditure and financial investment		
Purchase of tangible fixed assets	(63,697)	(94,545)
d) Acquisitions and disposals		
Acquisition of subsidiary undertakings	(28,681)	(2,200,245)
Net cash acquired with subsidiary	(13,383)	(1,038,893)
	(42,064)	(3,239,138)
e) Financing		
Issue of share capital		140,000
Bank loan received		7,950,000
Loan repayments	(475,000)	(125,000)
Capital elements of finance lease rental payments	(54,666)	(25,319)
	(529,666)	7,939,681

22. ANALYSIS AND RECONCILIATION OF NET DEBT

	1 September 2006 £	Cash movements £	Non cash movements £	31 August 2007 £
Cash in hand	673	(673)		
Overdraft	(2,181,270)	915,984		(1,265,286)
	(2,180,597)	915,311		(1,265,286)
Debt due within one year	(475,000)		(150,000)	(625,000)
Debt due after more than one year	(7,212,732)	475,000	(205,464)	(6,943,196)
Finance leases	(98,992)	(54,665)	45,078	(108,579)
Total	(9,967,321)	1,335,646	(310,386)	(8,942,061)

	2007 £	2006 £
Increase/(decrease) in cash in the year	915,311	(2,180,597)
Cash inflow/(outflow) from increase in debt and lease financing	420,335	(7,637,630)
	1,335,646	(9,818,227)
Other non cash movements	(310,386)	(149,094)
Change in net debt resulting from cash flows	1,025,260	(9,967,321)
Net debt at 1 September 2006	(9,967,321)	
Net debt at 31 August 2007	(8,942,061)	(9,967,321)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

23. PURCHASE OF SUBSIDIARY UNDERTAKING

	2007 £	2006 £
Net assets acquired		
Intangible assets		7,387,010
Tangible fixed assets	81,318	479,703
Stocks	134,787	2,865,796
Debtors	276,005	4,380,670
Cash at bank and in hand	(13,383)	(1,038,893)
Creditors	(668,762)	(11,039,046)
	(190,035)	3,035,240
Goodwill	218,716	1,055,995
Satisfied by	28,681	4,091,235
Cash	28,681	2,200,245
Equity		1,890,990
	28,681	4,091,235

24 PENSION ARRANGEMENTS

The group operates a defined contribution scheme for its employees The assets of the scheme are held separately from those of the group in an independently administered fund The pension cost for the year amounted to £240,974 (2006 £80,527)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2007

25. FINANCIAL COMMITMENTS

Annual commitments under non cancellable operating leases are as follows

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Land and buildings				
Expiring within one year	3,524	16,975		
Expiring within two to five years	107,045	146,100		
Expiring in over five years	91,677	91,677		
	202,246	254,752		

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Other				
Expiring within one year	20,352	26,529		
Expiring within two to five years	340,297	311,154		
	360,649	337,683		

26 CONTINGENT LIABILITIES AND GUARANTEES

The company has contingent liabilities in respect of cross guarantees on the overdrafts of its fellow group undertakings As at 31 August 2007, the total group overdraft was £1,265,286 (2006 £2,181,270)

27 RELATED PARTY TRANSACTIONS

The company has taken advantage of the provisions of FRS 8 "Related Party Disclosures" not to disclose transactions with other wholly owned subsidiary undertakings of Mono Global Group Limited

During the period Mono Consultants Limited purchased services from DSC North Limited, a company owned by David Shand The total services purchased during the period, net of VAT, totalled £2,202,487 (2006 £2,181,269) The purchases were subject to an arms' length agreement

During the year Tracklift Limited entered into transactions with DSC North Limited, a company also owned by David Shand Tracklift Limited made sales of £1,671,089 (2006 £613,824), net of VAT, to DSC North Limited DSC North Limited also provided services to Tracklift Limited, in relation to provision of office space, payroll and other direct costs totalling £666,882 (2006 £353,468) net of VAT All transactions were conducted on an arms length basis