Company Registration No. SC296339

MONO GLOBAL GROUP LIMITED

Report and Financial Statements

31 August 2008

MONO GLOBAL GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

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MONO GLOBAL GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

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

SECRETARY

S Marshall

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 LLP
Glasgow

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 August 2008.

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.

There have not been any significant changes in the group's core activities in the period under review, nor are the directors aware of any likely changes in the forthcoming year. During the year under review, we saw a major microwave link project concluding and a new, substantial, site deployment contract starting in the last quarter.

The consolidated results are as shown in the group profit and loss account on page 6. Turnover decreased by 6.6% reflecting the fact that the Access Transmission Program project, which generated substantial revenues, completed in the previous financial year, and, by the end of the year under review, a second microwave project had substantially completed. Both of these resulted in a reduction in sales revenues and average employee numbers.

The group's key measure of performance is its operating profit in both absolute terms and as a percentage of turnover. The reduction in turnover was anticipated by the directors and a program to reduce overheads, which was initiated in 2007 has delivered significant savings in 2008 with the result that our percentage margin has been maintained.

The commencement of a new deployment contract for one of our major customers in the last quarter resulted in an increase in trade debtors and work in progress. Cash inflow of £568k was generated during the year.

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 ongoing control over the cost base will position the company to deliver a successful performance in the next financial year. More specifically, the group has successfully won substantial new work streams for 2009 which the directors believe will deliver increased turnover and profits in the next financial year.

Principal Risks and Uncertainties

The group 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.

The main business risk facing the group at present is the global recession and the associated crisis in the banking and finance sector. The telecoms sector and the group is not immune from the risks and uncertainties that these factors pose but the directors believe that the nature of the work streams and contracts currently held by the group will enable them to trade profitably over the next financial year.

The group's bankers have renewed the working capital facilities required by the business and these facilities are in place until October 2009 and the directors are not aware of any reason why the facilities will not be renewed at that time. The directors have prepared forecasts that reflect their outlook for the group but also take into account potential sensitivities in respect of trading performance that may exist from the current general uncertain economic environment. Based on these projections the directors have concluded that the group will be able to operate within the conditions of the financial covenants attaching to its facilities and as a result they continue to adopt the going concern basis in preparing the financial statements.

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.

DIRECTORS' REPORT (CONTINUED)

Principal Risks and Uncertainties (continued)

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.

Results and Dividends

The loss for the financial year was £472,891 (2007 – loss of £371,267). 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	
G F Hill	
K J Lyon	
R Dickson	Resigned 30/09/2008

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 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

S Marshall
Secretary

30TH APRIL 2009

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 2008 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 25. 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 2008 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 LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Glasgow, United Kingdom

5th May 2009

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 31 August 2008

	Note	2008 £	2007 £
TURNOVER:			
- Existing operations		20,693,044	22,172,203
- Acquisitions		-	368,366
	1	20,693,044	22,540,569
Cost of sales		(16,709,249)	(18,146,010)
Gross profit		3,983,795	4,394,559
Other operating expenses	2	(3,219,150)	(3,460,600)
OPERATING PROFIT:			
- Existing operations		764,645	915,885
- Acquisitions		-	18,074
		764,645	933,959
Finance charges (net)	3	(1,196,263)	(1,212,711)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(431,618)	(278,752)
Tax on loss on ordinary activities	6	(41,273)	(92,515)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(472,891)	(371,267)
Minority interest		-	-
LOSS FOR THE FINANCIAL YEAR	17	(472,891)	(371,267)

The group has no recognised gains or losses in either year other than the loss for that year. Accordingly no Statement of Total Recognised Gains and Losses is presented.

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

CONSOLIDATED BALANCE SHEET
As at 31 August 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Intangible assets	8	7,329,608	7,875,244
Tangible assets	9	119,544	298,372
		7,449,152	8,173,616
CURRENT ASSETS			
Stock	11	3,757,507	3,392,972
Debtors	12	5,331,057	5,318,961
Cash at bank and in hand		6,078	-
		9,094,642	8,711,933
CREDITORS: amounts falling due within one year	13	(8,725,818)	(8,253,943)
NET CURRENT ASSETS		368,824	457,990
TOTAL ASSETS LESS CURRENT LIABILITIES		7,817,976	8,631,606
CREDITORS: amounts falling due after more than one year	14	(6,626,384)	(6,967,123)
NET ASSETS		1,191,592	1,664,483
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	(820,934)	(348,043)
SHAREHOLDERS' FUNDS	18	1,191,592	1,664,483

These financial statements were approved by the Board of Directors on 30th Dec 2009.

Signed on behalf of the Board of Directors

B D Dougherty
Director

COMPANY BALANCE SHEET
As at 31 August 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Investments	10	4,119,916	4,119,916
CURRENT ASSETS			
Debtors - due within one year	12	25,000	25,000
- due after more than one year	12	5,158,362	5,658,362
Bank		182,737	-
		5,366,099	5,683,362
CREDITORS: amounts falling due within one year	13	(3,924,135)	(2,661,263)
NET CURRENT ASSETS		1,441,964	3,022,099
TOTAL ASSETS LESS CURRENT LIABILITIES		5,561,880	7,142,015
CREDITORS: amounts falling due after more than one year	14	(6,623,660)	(6,943,196)
NET (LIABILITIES)/ASSETS		(1,061,780)	198,819
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	(3,074,306)	(1,813,707)
SHAREHOLDERS' (DEFICIT)/FUNDS		(1,061,780)	198,819

These financial statements were approved by the Board of Directors on 30th April 2009.

Signed on behalf of the Board of Directors

B D Dougherty
Director

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 August 2008

	Note	2008 £	2007 £
Net cash inflow from operating activities	19	2,307,634	2,708,124
Returns on investment and servicing of finance	20a)	(893,983)	(896,361)
Taxation	20b)	(118,749)	(261,025)
Capital expenditure and financial investment	20c)	(7,943)	(63,697)
Acquisitions and disposals	20d)	-	(42,064)
Cash inflow before financing		1,286,959	1,444,977
Financing	20e)	(719,073)	(529,666)
Increase in cash	21	567,886	915,311

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2008

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 and preparation

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

The group's bankers have renewed the working capital facilities required by the business and these facilities are in place until October 2009. The directors have prepared forecasts that reflect the positive outlook for the group but also take into account potential sensitivities in respect of trading performance. Based on these projections the directors have concluded that the group will be able to operate within the conditions of the financial covenants attaching to its facilities and as a result they continue to adopt the going concern basis in preparing the financial statements.

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 2008

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 is recognised based on specific contract milestones.

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

	2008 £	2007 £
Administrative expenses	3,219,150	3,460,600

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2008

3. FINANCE CHARGES (NET)

	2008 £	2007 £
Bank interest received	64,796	15,224
Bank interest paid	(950,195)	(921,338)
Redemption premium	(298,188)	(298,188)
Hire purchase interest	(12,676)	(8,409)
	(1,261,059)	(1,227,935)
	(1,196,263)	(1,212,711)

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging:

		2008 £	2007 £
Depreciation on tangible fixed assets	- owned assets	149,204	221,102
	- leased assets	37,567	63,285
Operating lease rentals			
- land and buildings		222,722	290,141
- plant and machinery		288,263	325,797
Amortisation of goodwill (note 8)		545,636	511,472
Amortisation of costs incurred arranging loans		57,276	57,276

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2008

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION (CONTINUED)

The analysis of auditors' remuneration is as follows:

	2008 £	2007 £
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	28,500	29,000
Total audit fees	30,000	30,500
Other services pursuant to legislation		
- Tax services	7,000	6,500
Total non-audit fees	7,000	6,500

5. STAFF COSTS

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

	2008 £	2007 £
Professional	128	155
Administration	24	24
	152	179

	2008 £	2007 £
Their aggregate remuneration comprised:		
Wages and salaries	5,437,226	5,822,312
Social security costs	399,486	451,651
Other pension costs (note 22)	224,126	240,974
	6,060,838	6,514,937

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2008

5. STAFF COSTS (CONTINUED)

Directors' remuneration

Directors' remuneration was as follows:

	2008 £	2007 £
Emoluments	443,527	891,548
Contributions to money purchase pension scheme	68,507	109,402
	512,034	1,000,950

4 directors were members of the money purchase pension scheme in 2008 (2007 – 7).

Highest paid director

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

	2008 £	2007 £
Emoluments	134,987	220,286
Contributions to money purchase pension scheme	20,790	24,000
	155,777	244,286

6. TAX ON LOSS ON ORDINARY ACTIVITIES

The tax charge comprises:

	2008 £	2007 £
UK Corporation tax		
UK corporation tax on loss for the period	57,146	129,997
Adjustment in respect of prior periods	(18,909)	(1,454)
	38,237	128,543
Deferred tax		
Originating and reversal of timing differences	(2,964)	(37,480)
Adjustment in respect of prior period	6,000	1,452
	41,273	92,515

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2008

6. TAX ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)

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

	2008 £	2007 £
Loss on ordinary activities before taxation	(431,618)	(278,752)
Tax on loss on ordinary activities at standard UK corporation tax rate of 28% (2007 - 30%)	(120,853)	(83,626)
Effect of:		
Disallowed expenses and non-taxable income	168,112	194,030
Deferred taxation	2,964	37,480
Adjustments in respect of prior periods	(18,909)	(1,454)
Rate differences	3,243	(1,621)
Short term timing differences	3,680	-
Losses brought forward	-	(16,266)
Current tax charge	38,237	128,543

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 £1,260,599 (2007 - £1,243,965). As permitted by Section 230 of the Companies Act 1985, no separate profit and loss account is presented in respect of this company.

8. INTANGIBLE FIXED ASSETS

	Goodwill £
Group	
Cost	
At 1 September 2007 and 31 August 2008	8,640,338
Amortisation	
At 1 September 2007	765,094
Charge for the year	545,636
At 31 August 2008	1,310,730
Net book value	
At 31 August 2008	7,329,608
At 31 August 2007	7,875,244

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 2008

9. TANGIBLE FIXED ASSETS

	Vehicles £	Fixtures, fittings and equipment £	Office equipment £	Total £
Group				
Cost				
At 1 September 2007	481,156	316,441	979,329	1,776,926
Additions	-	15,191	27,934	43,125
Disposals	(104,499)	-	-	(104,499)
At 31 August 2008	376,657	331,632	1,007,263	1,715,552
Accumulated Depreciation				
At 1 September 2007	342,751	279,635	856,168	1,478,554
Charge for the year	62,847	21,996	101,928	186,771
Disposals	(69,317)	-	-	(69,317)
At 31 August 2008	336,281	301,631	958,096	1,596,008
Net book value				
At 31 August 2008	40,376	30,001	49,167	119,544
At 31 August 2007	138,405	36,806	123,161	298,372

10. INVESTMENTS

	2008 £	2007 £
Company		
Subsidiary undertakings		
Cost at 1 September 2007	4,119,916	4,091,235
Additions in the year	-	28,681
Cost at 31 August 2008	4,119,916	4,119,916

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2008

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 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Raw materials	42,347	18,167	-	-
Work in progress	3,715,160	3,374,805	-	-
	3,757,507	3,392,972	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2008

12. DEBTORS

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Trade debtors	4,832,411	4,719,058	-	-
Other debtors	392,190	490,411	25,000	25,000
Amounts owed by subsidiaries	-	-	5,158,362	5,658,362
Deferred tax asset	106,456	109,492	-	-
	5,331,057	5,318,961	5,183,362	5,683,362

Debtors include amounts owed by subsidiary undertakings of £5,158,362 (2007 - £5,658,362) which is due after more than one year.

Deferred tax asset:

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
At 1 September 2007	109,492	75,589	-	-
Acquisition of subsidiary undertaking	-	(2,125)	-	-
Credited to profit and loss account (note 6)	(3,036)	36,028	-	-
At 31 August 2008	106,456	109,492	-	-

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Other timing differences	10,048	12,717	-	-
Accelerated capital allowances	96,408	96,775	-	-
Discounted and undiscounted deferred tax asset	106,456	109,492	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2008

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Bank loans (note 14)	675,000	625,000	675,000	625,000
Trade creditors	3,683,487	3,899,572	-	-
Bank overdraft	703,478	1,265,286	-	1,989,014
Amounts owed to group undertakings	-	-	3,232,545	20,456
UK corporation tax payable	45,680	125,329	-	-
Other taxation and social security	667,844	675,854	-	-
Accruals and deferred income	2,938,545	1,578,250	16,590	26,793
Obligations under hire purchase contracts (note 14)	11,784	84,652	-	-
	8,725,818	8,253,943	3,924,135	2,661,263

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 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Bank loans	6,050,000	6,725,000	6,050,000	6,725,000
Redemption premium	745,470	447,282	745,470	447,282
Net costs associated with arranging loans	(171,810)	(229,086)	(171,810)	(229,086)
Obligations under hire purchase contracts	2,724	23,927	-	-
	6,626,384	6,967,123	6,623,660	6,943,196

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Bank loans and overdraft				
Due between one and two years	675,000	625,000	675,000	625,000
Due between two and five years	5,948,660	6,318,196	5,948,660	6,318,196
	6,623,660	6,943,196	6,623,660	6,943,196
On demand or within one year	1,372,400	1,890,286	675,000	2,614,014
	7,996,060	8,833,482	7,298,660	9,557,210

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2008

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

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

	31 August 2008 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 £745,470 (2007 - £447,282).

Obligations under hire purchase contracts are secured against the related assets.

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Obligations under hire purchase contracts				
Due between one and two years	2,724	18,952	-	-
Due between two and five years	-	4,975	-	-
	2,724	23,927	-	-
On demand or within one year	11,784	84,652	-	-
	14,508	108,579	-	-
Total borrowings				
Between one and two years	677,724	643,952	675,000	625,000
Between two and five years	5,948,660	6,323,171	5,375,000	6,100,000
	6,626,384	6,967,123	6,050,000	6,725,000
On demand or within one year	1,384,184	1,974,938	675,000	2,614,014
	8,010,568	8,942,061	6,725,000	9,339,014

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2008

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 2008 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.

16. CALLED-UP SHARE CAPITAL

	2008 £	2007 £
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.

17. RESERVES

	Share *premium* account £	Profit and loss account £	Total £
Group			
At 1 September 2007	20,184	(348,043)	(327,859)
Loss for the financial year	-	(472,891)	(472,891)
At 31 August 2008	20,184	(820,934)	(800,750)

	Share premium account £	Profit and loss account £	Total £
Company			
At 1 September 2007	20,184	(1,813,707)	(1,793,523)
Loss for the financial year	-	(1,260,599)	(1,260,599)
At 31 August 2008	20,184	(3,074,306)	(3,054,122)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2008

18. RECONCILIATION OF MOVEMENTS IN GROUP SHAREHOLDERS' FUNDS

	2008 £	2007 £
Loss for the financial year	(472,891)	(371,267)
Opening shareholders' funds	1,664,483	2,035,750
Closing shareholders' funds	1,191,592	1,664,483

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating profit	764,645	933,959
Depreciation of tangible fixed assets	186,771	284,387
Increase in stocks	(364,535)	(97,480)
Decrease/(increase) in debtors	(15,087)	463,598
Increase in creditors	1,132,928	554,911
Amortisation of goodwill	545,636	511,473
Amortisation of finance costs	57,276	57,276
Net cash inflow from operating activities	2,307,634	2,708,124

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2008

20. ANALYSIS OF CASH FLOWS

	2008 £	2007 £
a) Returns on investment and servicing of finance		
Interest received	64,796	15,224
Interest paid	(958,779)	(911,585)
Net cash outflow	(893,983)	(896,361)
b) Taxation		
Corporation tax paid	(118,749)	(261,025)
c) Capital expenditure and financial investment		
Purchase of tangible fixed assets	(43,125)	(63,697)
Disposal of tangible fixed assets	35,182	-
	(7,943)	(63,697)
d) Acquisitions and disposals		
Acquisition of subsidiary undertakings	-	(28,681)
Net cash acquired with subsidiary	-	(13,383)
	-	(42,064)
e) Financing		
Loan repayments	(625,000)	(475,000)
Capital elements of finance lease rental payments	(94,073)	(54,666)
	(719,073)	(529,666)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2008

21. ANALYSIS AND RECONCILIATION OF NET DEBT

	1 September 2007 £	Cash movements £	Non cash movements £	31 August 2008 £
Cash in hand	-	6,078	-	6,078
Overdraft	(1,265,286)	561,808	-	(703,478)
	(1,265,286)	567,886	-	(697,400)
Debt due within one year	(625,000)	-	(50,000)	(675,000)
Debt due after more than one year	(6,943,196)	625,000	(305,464)	(6,623,660)
Finance leases	(108,579)	94,072	-	(14,507)
Total	(8,942,061)	1,286,958	(355,464)	(8,010,567)

The non cash movements relate to the accrual of the redemption premiums in respect of loans as well as the amortisation of loan arrangement fees.

	2008 £	2007 £
Decrease in net overdraft in the year	567,886	915,311
Cash outflow from decrease in debt and lease financing	719,072	420,335
	1,286,958	1,335,646
Other non cash movements	(355,464)	(310,386)
Change in net debt resulting from cash flows	931,494	1,025,260
Net debt at 1 September 2007	(8,942,061)	(9,967,321)
Net debt at 31 August 2008	(8,010,567)	(8,942,061)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2008

22. 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 £224,126 (2007 - £240,974).

23. FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:-

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Land and buildings:				
Expiring within one year	4,536	3,524	-	-
Expiring within two to five years	107,045	107,045	-	-
Expiring in over five years	80,790	91,677	-	-
	192,371	202,246	-	-

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Other:				
Expiring within one year	175,483	20,352	-	-
Expiring within two to five years	149,750	340,297	-	-
	325,233	360,649	-	-

24. 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 2008, the total group overdraft was £886,210.

25. 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, a director of a fellow group company, Tracklift Limited. The total services purchased during the period, net of VAT, totalled £2,053,300 (2007 - £2,202,487). 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 £1,336,705 (2007 - £1,671,089), 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 £807,497 (2007 - £666,882) net of VAT. All transactions were conducted on an arms length basis.