4402058

BROOKS MACDONALD GROUP PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JULY 2006 TO 2 OCTOBER 2006

Brooks Macdonald Group plc

Directors and advisors

Directors

C A J Macdonald
S J Jackson
N H Lawes
R H Spencer
J M Gumpel
C J Knight
S P Wombwell

Company Secretary

S J Jackson

Trading Office

111 Park Street London W1K 7JL

Registered Office

111 Park Street London W1K 7JL

Registered Number

4402058

Auditors

Moore Stephens LLP
Chartered Accountants
St Paul's House Warwick Lane London EC4M 7BP

Solicitors

Macfarlanes
10 Norwich Street London EC4A 1BD

Bankers

The Royal Bank of Scotland plc
119/121 Victoria Street London SW1E 6RA

Brooks Macdonald Group plc

Profit and Loss Account
for the period from 1 July 2006 to 2 October 2006

	Note	Period from 1 July to 2 October 2006 (Unaudited) £	Year to 30 June 2006 (Audited) £
Turnover		-	-
Administrative costs		16,063	(284,654)
Operating profit/(loss)	2	16,063	(284,654)
Income from fixed asset investments	2(a)	383,800	149,000
Profit/(Loss) on ordinary activities before interest and taxation		399,863	(135,654)
Interest receivable		4	13,595
Profit/(Loss) on ordinary activities before tax		399,867	(122,059)
Tax on profit on ordinary activities		-	-
Profit/(Loss) on ordinary activities after taxation		399,867	(122,059)
Dividends payable	2(b)	-	(98,110)
Retained Profit/(Loss) for the period		**399,867**	**(220,169)**

Brooks Macdonald Group plc

Balance Sheet as at 2 October 2006

	Note	Penod from 1 July 006 to 2 October2006 (Unaudited)		Year to 30 June 2006 (Audited)	
		£	£	£	£
Fixed assets					
Investments			4,238,125		4,238,125
Current assets					
Debtors	3	817,866		990,912	
Cash at bank and in hand		821		367	
		818,687		991,279	
Creditors, amounts falling due within one year	4	(3,372,323)		(3,944,782)	
Net current liabilities			(2,553,636)		(2,953,503)
Net assets			**1,684,489**		**1,284,622**
Financed by					
Capital and reserves					
Called up share capital	6		98,131		98,131
Share Premium	7		1,365,910		1,365,910
Share option reserve			54,000		54,000
Profit and loss account	8		166,448		(233,419)
Shareholder funds	9		**1,684,489**		**1,284,622**

Approved by the board on 2 October 2007

C A J MACDONALD ......

S J JACKSON

Brooks Macdonald Group plc

Cash Flow Statement
for the period from 1 July 2006 to 2 October 2006

	Note	Period from 1 July 2006 to 2 October 2006 (Unaudited) £	£	Year to 30 June 2006 (Audited) £	£
Net cash (outflow) from operating activities	5		(383,350)		(148,116)
Returns on investments and servicing of finance					
Investment income received		383,800		149,000	
Interest received		4		13,595	
			383,804		162,595
Equity dividends paid			-		(98,110)
Financing					
Increase in share capital			-		3,265
Net cash inflow/(outflow) in period			**454**		**(80,366)**
Net funds at beginning of period			367		80,733
Net inflow/(outflow)			454		(80,366)
Net funds at end of period	10		**821**		**367**

Brooks Macdonald Group plc

Notes to the interim financial statements for the period from 1 July 2006 to 2 October 2006

1 **Basis of preparation**

The accounting policies used in the preparation of the financial statements from 1 July 2006 to 2 October 2006 are set out in the statutory accounts for the year ended 30 June 2006 The figures for the year ended 30 June 2006 have been extracted from the financial statements for that year , which have been filed with the Registrar of Companies, The auditors' report on those financial statements was unqualified and did not contain any statement under Section 237 (2) or (3) of the Companies Act 1985

2(a) Income from fixed asset investments

	Period from 1 July 2006 to 2 October 2006 (Unaudited) £	30 June 2006 (Audited) £
Income from shares in group undertakings (note below)	383,800	149,000
Investments at balance sheet date		
Subsidiary undertakings	**4,238,125**	**4,238,125**

Details of the subsidiary undertakings, all of which are incorporated in the UK , are as follows

	Interest	Interest
Brooks Macdonald Financial Consulting Limited Nature of business is Financial Consulting	100%	100%
Brooks Macdonald Asset Management Limited Nature of business is Investment Management	100%	100%
Brooks Macdonald Services Limited Nature of the business is Nominee Service	100%	100%

2(b) Dividends

	Period from 1 July 2006 to 2 October 2006 (Unaudited) £	30 June 2006 (Audited) £
Final dividend paid on ordinary shares	-	**98,110**

3 Debtors

	Period from 1 July 2006 to 2 October 2006 (Unaudited) £	30 June 2006 (Audited) £
Prepayments	7,500	-
Other debtors	810,366	990,912
	817,866	**990,912**

Brooks Macdonald Group plc

Notes to the interim financial statements for the period from 1 July 2006 to 2 October 2006

4 Creditors, amounts falling due within one year

	Period from 1 July 2006 to 2 October 2006 (Unaudited) £	30 June 2006 (Audited) £
Trade creditors	53,716	45,509
Other creditors	-	8,129
Accruals and deferred income	500	198,064
Amounts due to related parties	3,318,107	3,693,080
	3,372,323	**3,944,782**

5 Reconciliation of operating profit and net cash (outflow) from operating activities

	Period from 1 July 2006 to 2 October 2006 (Unaudited) £	Year to 30 June 2006 (Audited) £
Operating profit/(loss)	16,063	(284,654)
(Increase) in other debtors and prepayments	(7,500)	(45,373)
Increase in trade creditors	8,207	37,978
(Decrease)/Increase in other creditors and accruals	(205,693)	160,994
Increase in provisions	-	54,000
Decrease in amounts due from related parties	180,546	-
(Decrease) in amounts due to related parties	(374,973)	(71,061)
Net outflow	**(383,350)**	**(148,116)**

6 Share capital

	Period from 1 July 2006 to 2 October 2006 (Unaudited) £	Year to 30 June 2006 (Audited) £
Authorised		
20,000,000 Ordinary shares of 1p each	200,000	200,000
Allotted, called up and fully paid		
9,813,100 Ordinary shares of 1p each	**98,131**	**98,131**

7 Share premium account

	Period from 1 July 2006 to 2 October 2006 (Unaudited) £	Year to 30 June 2006 (Audited) £
Balance at 1 July 2006	1,365,910	1,362,666
Employee free shares issued	-	3,244
Balance at 2 October 2006	**1,365,910**	**1,365,910**

Brooks Macdonald Group plc

Notes to the interim financial statements for the period from 1 July 2006 to 2 October 2006

8 Profit and loss account

	Period from 1 July 2006 to 2 October 2006 (Unaudited) £	Year to 30 June 2006 (Audited) £
As at 1 July 2006	(233,419)	(13,250)
Retained Profit/(Loss) for the period	399,867	(220,169)
As at 2 October 2006	**166,448**	**(233,419)**

9 Reconciliation of shareholders funds

	Period from 1 July 2006 to 2 October 2006 (Unaudited) £	Year to 30 June 2006 (Audited) £
Opening shareholders funds at 1 July	1,284,622	1,447,526
Profit/(Loss) for the period	399,867	(122,059)
Share option reserves	-	54,000
Dividends	-	(98,110)
New share capital subscribed	-	21
Share premium increase	-	3,244
Net Addition to shareholders funds	399,867	(162,904)
Closing shareholders funds	**1,684,489**	**1,284,622**

10 Reconciliation of net funds

	Period from 1 July 2006 to 2 October 2006 (Unaudited) £	Year to 30 June 2006 (Audited) £
Increase in cash during the period	454	(80,366)
Change in net funds	454	(80,366)
Funds at start of period	367	80,733
Net funds at end of period	**821**	**367**
Represented by		
Cash at bank	**821**	**367**