

Registered no. 2841970

BOSTOCK MARKETING GROUP LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2005



MEAGER WOOD LOCKE & COMPANY
123 HAGLEY ROAD
EDGBASTON
BIRMINGHAM
B16 8LD

BOSTOCK MARKETING GROUP LIMITED

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BOSTOCK MARKETING GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2005

The directors present their report and the financial statements of the company for the year ended 30 September 2005.

Directors' Responsibilities

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 a 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 to 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.

Directors

J P Bostock
D A Bostock
D Bostock
J Wiseman
W A Vickers
V Stait
D J Lewis

Secretary

W A Vickers

Registered Office

7 Holt Court North
Heneage Street West
Aston Science Park
Birmingham B7 4AX

Principal Activities

The principal activity of the company throughout the year was that of market research.

Review of Business

The results for the year and the financial position at the year end are considered very satisfactory by the directors. The company continues to invest in its infrastructure, the introduction of new technology, and the research and development of new IT applications.

Future Developments

The directors believe that the prospects for continued growth are good and that the company is well placed to take advantage of market opportunities as they arise.

Results and Dividends

The results of the year's trading and the financial position of the company are shown in the annexed accounts. The company's profit for the year, after taxation, amounted to £398,740 (2004 - £510,317).

Directors

The present directors are as shown above. All served on the board throughout the year. The company's Articles of Association do not require directors to retire by rotation.

BOSTOCK MARKETING GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2005 (CONT)

Directors' Interests

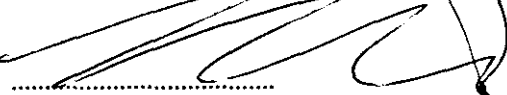
The interests of the directors in the shares of the company at the beginning and end of the year, were as follows:

	30 September 2005	1 October 2004
J P Bostock Ordinary shares of £1 each	130,500	130,500
D A Bostock Ordinary shares of £1 each	79,908	84,453
D Bostock Ordinary shares of £1 each	12,500	12,500
J Wiseman Ordinary shares of £1 each	12,500	12,500
W A Vickers Ordinary shares of £1 each	2,838	2,838
V Stait Ordinary shares of £1 each	2,838	2,838

Auditors

The auditors, Meager Wood Locke & Company, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

ON BEHALF OF THE BOARD



W A VICKERS - SECRETARY

Date: December 21, 2005



Chartered Accountants
& Registered Auditors

Meager Wood Locke

t: 0121 450 4900

f: 0121 450 4901

e: info@mwllaccountants.com

w: www.mwllaccountants.com

BOSTOCK MARKETING GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOSTOCK MARKETING GROUP LIMITED

We have audited the financial statements of Bostock Marketing Group Limited for the year ended 30 September 2005 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and 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 auditor's 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

As described in the directors' report, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

MEAGER WOOD LOCKE & COMPANY
Registered Auditors

Date: December 21, 2005

123 HAGLEY ROAD
EDGBASTON
BIRMINGHAM
B16 8LD



Registered to carry on audit
work and regulated for a range
of investment business activities
by the Institute of Chartered
Accountants in England and Wales.

BOSTOCK MARKETING GROUP LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2005

	Note	2005 £	2004 £
TURNOVER	2	7,660,396	7,078,065
Cost of sales		3,285,226	2,649,685
GROSS PROFIT		4,375,170	4,428,380
Net operating expenses	3	3,876,530	3,754,887
OPERATING PROFIT	4	498,640	673,493
Other interest receivable and similar income		66,820	48,523
Interest payable and similar charges	7	(15,720)	(12,699)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		549,740	709,317
Tax on profit on ordinary activities	8	151,000	199,000
PROFIT FOR THE FINANCIAL YEAR		398,740	510,317
Dividends	9	-	20,000
RETAINED PROFIT FOR THE FINANCIAL YEAR	19	398,740	490,317

The company's turnover and expenses all relate to continuing operations.

There are no recognised gains or losses other than the profit for the financial year shown above.

The annexed notes form part of these financial statements.

BOSTOCK MARKETING GROUP LIMITED

BALANCE SHEET AT 30 SEPTEMBER 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Tangible assets	10	260,915	268,205
Investments	11	4	4
		<u>260,919</u>	<u>268,209</u>
CURRENT ASSETS			
Work in progress	12	70,777	64,208
Debtors	13	2,747,748	2,132,606
Cash at bank and in hand		584,036	1,066,722
		<u>3,402,561</u>	<u>3,263,536</u>
CREDITORS			
Amounts falling due within one year	14	1,603,111	1,712,016
NET CURRENT ASSETS		<u>1,799,450</u>	<u>1,551,520</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,060,369</u>	<u>1,819,729</u>
CREDITORS			
Amounts falling due after more than one year	15	(79,828)	(82,742)
NET ASSETS		<u>1,980,541</u>	<u>1,736,987</u>
CAPITAL AND RESERVES			
Called up share capital	16	241,084	246,254
Share premium account	17	7,528	7,528
Other reserves	18	215,217	210,047
Profit and loss account	19	1,516,712	1,273,158
SHAREHOLDERS' FUNDS	20	<u>1,980,541</u>	<u>1,736,987</u>

These financial statements were approved by the board on December 21, 2005
ON BEHALF OF THE BOARD

J P BOSTOCK - DIRECTOR

The annexed notes form part of these financial statements.

BOSTOCK MARKETING GROUP LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2005

	Note	2005 £	2004 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	25	(54,120)	599,625
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	66,820	48,523	
Interest paid	(5,412)	(3,772)	
Interest element of finance lease rental payments	(10,308)	(8,927)	
		51,100	35,824
TAXATION		(181,570)	(106,381)
CAPITAL EXPENDITURE			
Payments to acquire fixed assets	(61,685)	(45,143)	
Receipts from sales of fixed assets	100	1,039	
		(61,585)	(44,104)
EQUITY DIVIDENDS PAID		-	(20,000)
		(246,175)	464,964
FINANCING			
Issue of shares	-	3,750	
Purchase of the company's own shares	(155,186)	(149,984)	
Capital element of finance lease repayments	(81,325)	(111,610)	
		(236,511)	(257,844)
(DECREASE)/ INCREASE IN CASH	26	(482,686)	207,120

The annexed notes form part of these financial statements.

BOSTOCK MARKETING GROUP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2005

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied.

Consolidation

The parent company and its subsidiary undertakings comprise a medium sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention.

The effect of events in relation to the year ended 30 September 2005 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 30 September 2005 and of the results for the year ended on that date.

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Computer equipment	- 33% per annum of cost
Fixtures and fittings	- 20% per annum of cost

Intangible Fixed Assets

Depending upon the circumstances of each acquisition, purchased and consolidated goodwill is amortised through the profit and loss account over the directors' estimate of its useful life.

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

Deferred Taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

Research and Development

Expenditure on research and development is written off against profits for the year in which it is incurred.

Leasing

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension Costs

The company operates a pension scheme for the benefit of certain directors and employees. The scheme is a defined contribution scheme, and the contributions are charged against profits as they are paid.

2. TURNOVER

The company's turnover represents the value, excluding Value Added Tax, of goods and services supplied to customers during the year.

BOSTOCK MARKETING GROUP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 (CONT)

3. NET OPERATING EXPENSES

	2005 £	2004 £
Overhead expenses	3,876,530	3,754,887

4. OPERATING PROFIT

Operating profit is stated after charging:

	2005 £	2004 £
Directors' emoluments	560,747	615,290
Directors' pension contributions in respect of money purchase benefits	29,609	26,902
Total directors' emoluments	590,356	642,192
Hire of plant and machinery - operating leases	101,889	88,893
Hire of other assets - operating leases	137,001	134,901
Depreciation and amortisation of owned assets	73,221	83,721
Depreciation of assets held under finance leases and hire purchase	74,684	58,568
Auditors' remuneration	5,352	5,100
Profit on sale of fixed assets	(100)	(680)

5. DIRECTORS' REMUNERATION

	2005 £	2004 £
Highest paid director:		
Emoluments	131,083	133,114
Pension contributions in respect of money purchase benefits	7,980	7,980

There are 7 directors to whom retirement benefits are accruing under money purchase pension schemes in respect of qualifying services (2004 - 7).

No share options were exercised during the year (2004 - one).

BOSTOCK MARKETING GROUP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 (CONT)

6. STAFF COSTS

The average number of persons employed by the company, including directors, during the year was as follows:

	2005 Number	2004 Number
Operations	165	156
Research	29	27
Management and administration	25	24
	<u>219</u>	<u>207</u>

The aggregate payroll costs of these persons were as follows:

	2005 £	2004 £
Wages and salaries	3,659,159	3,573,807
Social security	331,045	326,916
Other pension costs	86,888	86,262
	<u>4,077,092</u>	<u>3,986,985</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £	2004 £
Other loans	5,412	3,772
Finance charges payable - finance leases and hire purchase	10,308	8,927
	<u>15,720</u>	<u>12,699</u>

8. TAXATION

	2005 £	2004 £
Tax on profit on ordinary activities	151,000	199,000

9. DIVIDENDS

	2005 £	2004 £
Final dividend paid on ordinary shares	-	20,000

BOSTOCK MARKETING GROUP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 (CONT)

10. TANGIBLE FIXED ASSETS

	Computer Equipment £	Fixtures and fittings £	Total £
Cost			
At 1 October 2004	457,946	167,228	625,174
Additions	67,411	73,204	140,615
Disposals	(15,819)	(791)	(16,610)
	<u>509,538</u>	<u>239,641</u>	<u>749,179</u>
At 30 September 2005			
Depreciation			
At 1 October 2004	268,039	88,930	356,969
Charge for the year	112,601	35,304	147,905
Eliminated on disposals	(15,819)	(791)	(16,610)
	<u>364,821</u>	<u>123,443</u>	<u>488,264</u>
At 30 September 2005			
Net book value			
At 30 September 2005	<u>144,717</u>	<u>116,198</u>	<u>260,915</u>
<i>At 30 September 2004</i>	<u>189,907</u>	<u>78,298</u>	<u>268,205</u>

Included in the total net book value of tangible fixed assets held at 30 September 2005 was £152,276 in respect of assets held under finance leases and hire purchase contracts.

BOSTOCK MARKETING GROUP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 (CONT)

11. INVESTMENTS

Participating interests

	2005 £
Cost	
At 1 October 2004	4
Additions	-
	<hr/>
At 30 September 2005	4
	<hr/>
Provision	
At 1 October 2004	-
During the year	-
	<hr/>
At 30 September 2005	-
	<hr/>
Net cost	4
	<hr/> <hr/>

The company owns more than 20% of the issued share capital of the following companies:

Name	Nature of business	Country of registration	Shares held, class/percentage
Bostock Marketing International Limited	Dormant	England	Ordinary 100%
People Matters Network Limited	Dormant	England	Ordinary 100%

12. STOCKS AND WORK IN PROGRESS

	2005 £	2004 £
Work in progress	70,777	64,208
	<hr/>	<hr/>

13. DEBTORS

Receivable within one year:

	2005 £	2004 £
Trade debtors	2,648,639	2,023,682
Prepayments and accrued income	99,109	108,924
	<hr/>	<hr/>
	2,747,748	2,132,606
	<hr/>	<hr/>

BOSTOCK MARKETING GROUP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 (CONT)

14. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2005 £	2004 £
Obligations under finance leases and hire purchase contracts	71,897	71,378
Trade creditors	585,624	518,653
Social security and other taxes	413,499	365,564
Other creditors	172,129	243,032
Corporation tax payable	206,423	236,993
Accruals and deferred income	153,539	276,396
	<u>1,603,111</u>	<u>1,712,016</u>

15. CREDITORS - AMOUNTS DUE AFTER ONE YEAR

	2005 £	2004 £
Obligations under finance leases and hire purchase contracts	79,824	82,738
Amounts owed to group undertakings	4	4
	<u>79,828</u>	<u>82,742</u>

Obligations under finance leases and hire purchase contracts are secured by related assets.

Obligations under finance leases and hire purchase contracts

	2005 £	2004 £
Amounts payable:		
Within two to five years	79,824	82,738
	<u>79,824</u>	<u>82,738</u>

16. SHARE CAPITAL

	2005 £	2004 £
Authorised		
500,000 ordinary shares of £1 each	500,000	500,000
200,000 redeemable preference shares of £1 each	200,000	200,000
	<u>700,000</u>	<u>700,000</u>
Allotted, called up and fully paid		
241,084 ordinary shares of £1 each	241,084	246,254
	<u>241,084</u>	<u>246,254</u>

During the year the company redeemed 4,545 ordinary shares, of £1 each, at a premium of £32 per share. The shares were part of a majority holding.

The company also redeemed the whole of a minority holding of 625 ordinary shares, of £1 each, at a premium of £7.32 per share.

BOSTOCK MARKETING GROUP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 (CONT)

17. SHARE PREMIUM ACCOUNT

	2005 £
As at 1 October 2004 and 30 September 2005	7,528

18. OTHER RESERVES

	2005 £
Capital redemption reserve	
At 1 October 2004	210,047
Transfer from profit and loss account	5,170
At 30 September 2005	215,217

19. PROFIT AND LOSS ACCOUNT

	2005 £
At 1 October 2004	1,273,158
Retained profit for the financial year	398,740
Purchase of own shares	(155,186)
At 30 September 2005	1,516,712

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit for the financial year	398,740	510,317
Dividends	-	20,000
	398,740	490,317
New share capital subscribed	-	3,750
Purchase of own shares	(155,186)	(149,984)
Net addition to shareholders' funds	243,554	344,083
Opening shareholders' funds	1,736,987	1,392,904
Closing shareholders' funds	1,980,541	1,736,987

BOSTOCK MARKETING GROUP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 (CONT)

21. LEASING COMMITMENTS

At 30 September 2005 the company had annual commitments under non-cancellable operating leases as detailed below:

	Land and buildings £	2005 Other £	Land and buildings £	2004 Other £
Operating leases which expire:				
Within one year	-	30,100	-	40,692
Within two to five years	-	75,869	-	51,684
	<u>-</u>	<u>105,969</u>	<u>-</u>	<u>92,376</u>

22. PENSION COSTS

The company operates a contributory pension scheme. It is a defined contribution scheme and contributions are charged in the profit and loss account as they accrue. The charge for the year was £86,888 (2004 - £86,262). There were no outstanding premiums at the year end.

23. TRANSACTIONS WITH DIRECTORS

Transactions with Directors

During the year the company purchased its own shares from a director, Mrs D A Bostock.

4,545 ordinary shares of £1 each were purchased at a premium of £32. The total consideration was £149,985. The transaction was completed during the year and no monies were outstanding at the year end.

Directors' share options

	Number of ordinary shares	Cost of Option	Exercise Price	Dates Exercisable
J Wiseman				
At 1 October 2004 and 30 September 2005	1,689	£1.00	£4.00 each	31.05.01 to 31.05.11
	<u>1,689</u>			
D Bostock				
At 1 October 2004 and 30 September 2005	1,689	£1.00	£4.00 each	31.05.01 to 31.05.11
	<u>1,689</u>			

24. CONTROLLING PARTY

The company is controlled by J P Bostock by virtue of his shareholding as described in the directors' report.

BOSTOCK MARKETING GROUP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 (CONT)

25. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2005 £	2004 £
Operating profit	498,640	673,493
Depreciation charge	147,905	142,289
Profit on sale of fixed assets	(100)	(680)
(Increase)/decrease in stocks	(6,569)	96,731
Increase in debtors	(615,142)	(725,390)
(Decrease)/increase in creditors	(78,854)	413,182
Net cash inflow from operating activities	<u>(54,120)</u>	<u>599,625</u>

26. ANALYSIS OF NET FUNDS

	2004 £	Cash flow £	Other changes £	2005 £
Cash at bank and in hand	1,066,722	(482,686)	-	584,036
Finance leases	(154,116)	81,325	(78,930)	(151,721)
Total	<u>912,606</u>	<u>(401,361)</u>	<u>(78,930)</u>	<u>432,315</u>

27. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2005 £	2004 £
(Decrease)/increase in cash in the year	(482,686)	207,120
Cash outflow from decrease in lease financing	81,325	111,610
Change in net funds resulting from cash flows	<u>(401,361)</u>	<u>318,730</u>
New finance leases	(78,930)	(142,353)
Movement in net funds in the year	<u>(480,291)</u>	<u>176,377</u>
Net funds at 1 October 2004	912,606	736,229
Net funds at 30 September 2005	<u>432,315</u>	<u>912,606</u>

28. NON-CASH TRANSACTIONS

During the year the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £78,930 (2004 - £142,353).