

COMPANY REGISTRATION NUMBER 2989543

ASK EUROPE PLC
FINANCIAL STATEMENTS
31 DECEMBER 2005



BOOTHBY BAKER & CO
Chartered Accountants & Registered Auditor
9 Wimpole Street
London
W1G 9SG

ASK EUROPE PLC
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

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ASK EUROPE PLC
OFFICERS AND PROFESSIONAL ADVISERS

Directors	R. Terry I. R. Davies A. Spurrell H. Terry C. Richardson
Company secretary	C. Richardson
Registered office	Trent House University Way Cranfield Technology Park Cranfield Bedfordshire MK43 0AN
Auditors	Boothby Baker & Co Chartered Accountants & Registered Auditor 9 Wimpole Street London W1G 9SG
Bankers	Barclays Bank PLC PO Box 3261 Central Milton Keynes MK9 2ZU
Incorporated	In England on 11th November 1994

ASK EUROPE PLC
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2005

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Group during the year was the provision of training and development services in support of organisational performance improvement.

The Group's balance sheet as detailed on page 8 shows a satisfactory position with shareholders funds amounting to £835,438. Although the trading climate in executive Education remained challenging throughout 2005 the Group has enjoyed its most successful year showing a significant 22% increase in sales and 147% increase in pre-tax profits. The strong trading performance over a number of years has provided a firm platform on which to expand operations with exciting prospects for 2006 and beyond.

RESULTS AND DIVIDENDS

The trading results for the year and the group's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2005	2004
	£	£
Proposed dividend on ordinary shares	—	19,000
Dividend paid on ordinary shares	49,400	19,000
	<u>49,400</u>	<u>38,000</u>

THE DIRECTORS AND THEIR INTERESTS

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At	At
	31 December 2005	1 January 2005
R. Terry	72,000	72,000
I. R. Davies	4,000	4,000
A. Spurrell	—	—
H. Terry	—	—
C. Richardson	—	—

FIXED ASSETS

In the opinion of the directors, there is no significant difference between the present market value of the Group's properties and the amounts at which they are stated in the accounts. Details are set out in note 11.

EMPLOYEES

The Group encourages staff involvement by a process of communication and consultation through regular briefings and electronic mail. The Group's policy is to consult and discuss with the employees, matters likely to affect employees' interests.

ASK EUROPE PLC
DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2005

INSURANCE

The Group maintains insurance for its directors in respect of their duties as directors.

POLICY ON THE PAYMENT OF CREDITORS

The Group aims to maintain good relations with all of its trading partners. In particular, it is the Group's policy to abide by the terms of payment agreed with each of its suppliers. The number of days' purchases represented by year end creditors is 29.2 (2004 32.1).

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 group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 10 to 11, and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint Boothby Baker & Co as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Trent House
University Way
Cranfield Technology Park
Cranfield
Bedfordshire
MK43 0AN

Signed by order of the directors



C. RICHARDSON
Company Secretary

Approved by the directors on 27 March 2006

ASK EUROPE PLC
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
ASK EUROPE PLC
YEAR ENDED 31 DECEMBER 2005

We have audited the group and parent financial statements of ASK Europe Plc for the year ended 31 December 2005 on pages 6 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. 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 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.

ASK EUROPE PLC
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
ASK EUROPE PLC *(continued)*
YEAR ENDED 31 DECEMBER 2005

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 December 2005 and of the profit of the group for the year then ended; and

have been properly prepared in accordance with the Companies Act 1985.



9 Wimpole Street
London
W1G 9SG

27 March 2006

BOOTHBY BAKER & CO
Chartered Accountants
& Registered Auditor

ASK EUROPE PLC
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2005

	Note	2005 £	2004 £
GROUP TURNOVER	2	3,790,312	3,103,440
Cost of sales		<u>1,899,798</u>	<u>1,456,220</u>
GROSS PROFIT		1,890,514	1,647,220
Administrative expenses		<u>1,465,794</u>	<u>1,476,233</u>
OPERATING PROFIT	3	424,720	170,987
Interest receivable		9,600	4,949
Interest payable and similar charges	6	(140)	(230)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>434,180</u>	<u>175,706</u>
Tax on profit on ordinary activities	7	<u>112,795</u>	<u>37,265</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	8	321,385	138,441
Dividends	9	49,400	38,000
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>271,985</u>	<u>100,441</u>

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account.

The notes on pages 10 to 20 form part of these financial statements.

ASK EUROPE PLC
GROUP BALANCE SHEET
31 DECEMBER 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Intangible assets	10	127,318	137,571
Tangible assets	11	143,339	125,461
		<u>270,657</u>	<u>263,032</u>
CURRENT ASSETS			
Stocks	13	17,384	13,743
Debtors	14	984,440	574,583
Cash at bank and in hand		371,385	290,422
		<u>1,373,209</u>	<u>878,748</u>
CREDITORS: Amounts falling due within one year	15	<u>793,140</u>	<u>568,426</u>
NET CURRENT ASSETS		<u>580,069</u>	<u>310,322</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>850,726</u>	<u>573,354</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	16	15,288	9,901
		<u>835,438</u>	<u>563,453</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	76,000	76,000
Share premium account	19	88,000	88,000
Other reserves	19	(3,701)	(3,701)
Profit and loss account	19	675,139	403,154
SHAREHOLDERS' FUNDS	20	<u>835,438</u>	<u>563,453</u>

These financial statements were approved by the directors on the 27 March 2006 and are signed on their behalf by:



R. TERRY

The notes on pages 10 to 20 form part of these financial statements.

ASK EUROPE PLC
COMPANY BALANCE SHEET
31 DECEMBER 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Tangible assets	11	143,339	125,461
Investments	12	70,402	70,402
		<u>213,741</u>	<u>195,863</u>
CURRENT ASSETS			
Stocks	13	17,384	13,743
Debtors	14	1,299,218	889,361
Cash at bank and in hand		371,385	290,422
		<u>1,687,987</u>	<u>1,193,526</u>
CREDITORS: Amounts falling due within one year	15	795,667	570,953
NET CURRENT ASSETS		<u>892,320</u>	<u>622,573</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,106,061</u>	<u>818,436</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	16	15,288	9,901
		<u>1,090,773</u>	<u>808,535</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	76,000	76,000
Share premium account	19	88,000	88,000
Other reserves	19	4,000	4,000
Profit and loss account	19	922,773	640,535
SHAREHOLDERS' FUNDS		<u>1,090,773</u>	<u>808,535</u>

These financial statements were approved by the directors on the 27 March 2006 and are signed on their behalf by:



R. TERRY

The notes on pages 10 to 20 form part of these financial statements.

ASK EUROPE PLC
GROUP CASH FLOW CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2005

	Note	2005 £	£	2004 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	21		242,833		407,530
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	21		9,460		4,719
TAXATION	21		(37,361)		(52,750)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	21		(64,301)		(43,521)
EQUITY DIVIDENDS PAID			(68,400)		(19,000)
INCREASE IN CASH	21		<u>82,231</u>		<u>296,978</u>

ASK EUROPE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES

Basis of accounting

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively. As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 1985.

Turnover

The turnover shown in the profit and loss account represents amounts derived from the provision of services after the deduction of trade discounts and exclusive of Value Added Tax.

Goodwill

Goodwill represents the difference between the fair value of the consideration paid on acquisition of a business and the fair value of its separable net assets at the date of acquisition.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	Over 20 years
----------	---------------

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold land & buildings	Over the length of the lease
Plant and machinery	Over 4 years
Fixtures and fittings	Between 4 and 10 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

ASK EUROPE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES *(continued)*

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Pension costs

The Group pays contributions into employees' personal pension schemes. The costs are charged to the profit and loss account in the period in which they accrue.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group. An analysis of turnover is given below:

	2005	2004
	£	£
United Kingdom	2,968,784	2,539,749
Other EC countries	657,632	209,172
Rest of the world	163,896	354,519
	<u>3,790,312</u>	<u>3,103,440</u>

ASK EUROPE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2005	2004
	£	£
Amortisation	10,253	10,253
Depreciation of owned fixed assets	45,444	41,442
Loss/(Profit) on disposal of fixed assets	979	(60)
Auditors' remuneration		
- as auditors	11,250	11,025
Net profit on foreign currency translation	<u>(2,068)</u>	<u>(1,944)</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2005	2004
	No	No
Business development	5	4
Client management	3	3
Training support	5	5
Graphic design	—	1
Administration	3	5
Client consultancy	8	7
	<u>24</u>	<u>25</u>

The aggregate payroll costs of the above were:

	2005	2004
	£	£
Wages and salaries	1,047,764	1,010,813
Social security costs	116,402	112,119
Other pension costs	68,486	62,059
	<u>1,232,652</u>	<u>1,184,991</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2005	2004
	£	£
Emoluments receivable	348,256	284,393
Value of company pension contributions to money purchase schemes	30,806	21,950
	<u>379,062</u>	<u>306,343</u>

ASK EUROPE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

5. DIRECTORS' EMOLUMENTS *(continued)*

Emoluments of highest paid director:

	2005	2004
	£	£
Total emoluments (excluding pension contributions)	113,278	101,354
Value of company pension contributions to money purchase schemes	13,652	8,337
	<u>126,930</u>	<u>109,691</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2005	2004
	No	No
Money purchase schemes	<u>4</u>	<u>4</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004
	£	£
Interest payable on bank borrowing	<u>140</u>	<u>230</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2005	2004
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2004 - 19%)	106,826	37,050
Over/under provision in prior year	582	—
Total current tax	<u>107,408</u>	<u>37,050</u>
Deferred tax:		
Origination and reversal of timing differences	5,387	215
Tax on profit on ordinary activities	<u>112,795</u>	<u>37,265</u>

ASK EUROPE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2004 - 19%).

	2005 £	2004 £
Profit on ordinary activities before taxation	<u>434,180</u>	<u>175,706</u>
Profit/(loss) on ordinary activities by rate of tax	133,330	35,332
First item to increase/(decrease) tax liability	1,454	1,643
Second item to increase/(decrease) tax liability	855	75
Third item to increase/(decrease) tax liability	(28,813)	—
Fourth item to increase/(decrease) tax liability	582	—
Total current tax (note 7(a))	<u>107,408</u>	<u>37,050</u>

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £331,638 (2004 - £148,694).

9. DIVIDENDS

The following dividends have been paid or proposed in respect of the year:

	2005 £	2004 £
Proposed dividend on ordinary shares	—	19,000
Dividend paid on ordinary shares	49,400	19,000
	<u>49,400</u>	<u>38,000</u>

10. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 January 2005 and 31 December 2005	<u>205,070</u>
AMORTISATION	
At 1 January 2005	67,499
Charge for the year	10,253
At 31 December 2005	<u>77,752</u>
NET BOOK VALUE	
At 31 December 2005	<u>127,318</u>
At 31 December 2004	<u>137,571</u>

Goodwill arising on the acquisition on 2nd July 1998 of Cambridge Management Centres Plc has been capitalised.

ASK EUROPE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

11. TANGIBLE FIXED ASSETS

Group	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Total £
COST				
At 1 January 2005	15,217	206,416	105,084	326,717
Additions	—	61,498	2,803	64,301
Disposals	—	(61,049)	(4,813)	(65,862)
At 31 December 2005	15,217	206,865	103,074	325,156
DEPRECIATION				
At 1 January 2005	7,816	134,293	59,147	201,256
Charge for the year	1,522	33,027	10,895	45,444
On disposals	—	(60,786)	(4,097)	(64,883)
At 31 December 2005	9,338	106,534	65,945	181,817
NET BOOK VALUE				
At 31 December 2005	5,879	100,331	37,129	143,339
At 31 December 2004	7,401	72,123	45,937	125,461
Company	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Total £
COST				
At 1 January 2005	15,217	206,416	105,084	326,717
Additions	—	61,498	2,803	64,301
Disposals	—	(61,049)	(4,813)	(65,862)
At 31 December 2005	15,217	206,865	103,074	325,156
DEPRECIATION				
At 1 January 2005	7,816	134,293	59,147	201,256
Charge for the year	1,522	33,027	10,895	45,444
On disposals	—	(60,786)	(4,097)	(64,883)
At 31 December 2005	9,338	106,534	65,945	181,817
NET BOOK VALUE				
At 31 December 2005	5,879	100,331	37,129	143,339
At 31 December 2004	7,401	72,123	45,937	125,461

ASK EUROPE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

12. INVESTMENTS

Company	Group companies
	£
COST	
At 1 January 2005 and 31 December 2005	<u><u>70,402</u></u>
NET BOOK VALUE	
At 31 December 2005	<u><u>70,402</u></u>
At 31 December 2004	<u><u>70,402</u></u>

The following companies are the principal subsidiary undertakings of the group at the balance sheet date. All are 100% owned.

Company	Country	Shares	Activity
Attitudes Skills & Knowledge Limited	England	Ord £1	Dormant
People Events Limited	England	Ord £1	Dormant
Graphical User Interface Design and Evaluation Limited	England	Ord £1	Dormant
ASK 4 Design Limited	England	Ord £1	Dormant
Webtrain Limited	England	Ord £1	Dormant
Cambridge Management Centres Plc	England	Ord £1	Dormant
The Cambridge Management Centre Limited	England	Ord £1	Dormant

13. STOCKS

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Work in progress	4,045	1,915	4,045	1,915
Non resales stocks - consumables	13,339	11,828	13,339	11,828
	<u><u>17,384</u></u>	<u><u>13,743</u></u>	<u><u>17,384</u></u>	<u><u>13,743</u></u>

14. DEBTORS

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Trade debtors	920,314	528,248	920,314	528,248
Amounts owed by group undertakings	—	—	314,778	314,778
Prepayments and accrued income	64,126	46,335	64,126	46,335
	<u><u>984,440</u></u>	<u><u>574,583</u></u>	<u><u>1,299,218</u></u>	<u><u>889,361</u></u>

ASK EUROPE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

15. CREDITORS: Amounts falling due within one year

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Bank loans and overdrafts	–	1,268	–	1,268
Payments received on account	174,595	90,244	174,595	90,244
Trade creditors	190,427	255,611	190,427	255,611
Dividends payable	–	19,000	–	19,000
Other creditors including taxation and social security:				
Corporation tax	103,771	33,724	106,515	36,468
Other taxation and social security	127,678	95,074	127,678	95,074
Other creditors	20,517	18,056	20,300	17,839
Accruals and deferred income	176,152	55,449	176,152	55,449
	<u>793,140</u>	<u>568,426</u>	<u>795,667</u>	<u>570,953</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Bank loans and overdrafts	<u>–</u>	<u>1,268</u>	<u>–</u>	<u>1,268</u>

The company has granted Barclays Bank Plc a debenture giving a fixed and floating charge over the assets of the Group.

16. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Provision brought forward	9,901	9,686	9,901	9,686
Increase in provision	5,387	215	5,387	215
Provision carried forward	<u>15,288</u>	<u>9,901</u>	<u>15,288</u>	<u>9,901</u>

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>15,288</u>	<u>9,901</u>	<u>15,288</u>	<u>9,901</u>

ASK EUROPE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

17. RELATED PARTY TRANSACTIONS

The Group was under the control of Mr R. Terry throughout the current and previous year. Mr Terry is the managing director and majority shareholder.

Mr. I. R. Davies is a director of The Independent Director Limited. During the year, that company supplied consultancy services to the Group totalling £12,000 (2004 £12,000).

Mrs. A. Terry, (wife of Mr. R Terry), supplied consultancy services on an arm's length basis to the Group totalling £79,715 (2004 £78,652) excluding VAT.

18. SHARE CAPITAL

Authorised share capital:

	2005 £	2004 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2005 No	£	2004 No	£
Ordinary shares of £1 each	<u>76,000</u>	<u>76,000</u>	<u>76,000</u>	<u>76,000</u>

19. RESERVES

Group	Share premium account £	Capital redemption reserve £	Merger reserve £	Profit and loss account £
Balance brought forward	88,000	4,000	(7,701)	403,154
Retained profit for the year	—	—	—	271,985
Balance carried forward	<u>88,000</u>	<u>4,000</u>	<u>(7,701)</u>	<u>675,139</u>

The capital redemption reserve was created by the purchase of 4,000 of its own shares by the company.

Company	Share premium account £	Capital redemption reserve £	Profit and loss account £
Balance brought forward	88,000	4,000	640,535
Retained profit for the year	—	—	282,238
Balance carried forward	<u>88,000</u>	<u>4,000</u>	<u>922,773</u>

The capital redemption reserve was created by the purchase of 4,000 of its own shares by the company.

ASK EUROPE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005	2004
	£	£
Profit for the financial year	321,385	138,441
Dividends	(49,400)	(38,000)
	<u>271,985</u>	<u>100,441</u>
Opening shareholders' equity funds	563,453	463,012
Closing shareholders' equity funds	<u>835,438</u>	<u>563,453</u>

21. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2005	2004
	£	£
Operating profit	424,720	170,987
Amortisation	10,253	10,253
Depreciation	45,444	41,442
Loss/(Profit) on disposal of fixed assets	979	(60)
Increase in stocks	(3,641)	(3,462)
(Increase)/decrease in debtors	(409,857)	172,056
Increase in creditors	174,935	16,314
Net cash inflow from operating activities	<u>242,833</u>	<u>407,530</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2005	2004
	£	£
Interest received	9,600	4,949
Interest paid	(140)	(230)
Net cash inflow from returns on investments and servicing of finance	<u>9,460</u>	<u>4,719</u>

TAXATION

	2005	2004
	£	£
TAXATION	<u>(37,361)</u>	<u>(52,750)</u>

CAPITAL EXPENDITURE

	2005	2004
	£	£
Payments to acquire tangible fixed assets	(64,301)	(43,580)
Receipts from sale of fixed assets	—	59
Net cash outflow from capital expenditure	<u>(64,301)</u>	<u>(43,521)</u>

ASK EUROPE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

21. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2005		2004
	£	£	£
Increase in cash in the period	<u>82,231</u>		<u>296,978</u>
		<u>82,231</u>	<u>296,978</u>
Change in net funds		<u>82,231</u>	<u>296,978</u>
Net funds at 1 January 2005		<u>289,154</u>	<u>(7,824)</u>
Net funds at 31 December 2005		<u><u>371,385</u></u>	<u><u>289,154</u></u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2005	Cash flows	At 31 Dec 2005
	£	£	£
Net cash:			
Cash in hand and at bank	290,422	80,963	371,385
Overdrafts	(1,268)	1,268	—
Net funds	<u><u>289,154</u></u>	<u><u>82,231</u></u>	<u><u>371,385</u></u>

ASK EUROPE PLC
MANAGEMENT INFORMATION
YEAR ENDED 31 DECEMBER 2005

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditors' report on pages 4 to 5.**

ASK EUROPE PLC
DETAILED GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2005

	2005	2004
	£	£
TURNOVER	3,790,312	3,103,440
COST OF SALES		
Direct costs	1,598,395	1,239,272
Direct salaries	<u>301,403</u>	<u>216,948</u>
	1,899,798	1,456,220
GROSS PROFIT	1,890,514	1,647,220
OVERHEADS		
Administrative expenses	<u>1,465,794</u>	<u>1,476,233</u>
OPERATING PROFIT	424,720	170,987
Bank interest receivable	<u>9,600</u>	<u>4,949</u>
	434,320	175,936
Bank interest payable	<u>(140)</u>	<u>(230)</u>
PROFIT ON ORDINARY ACTIVITIES	<u>434,180</u>	<u>175,706</u>

ASK EUROPE PLC
NOTES TO THE DETAILED GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2005

	2005		2004
	£	£	£
ADMINISTRATIVE EXPENSES			
Personnel costs			
Directors salaries	345,934		282,114
Directors pension contributions	30,806		21,950
Wages and salaries	691,024		717,710
Private health subscriptions	10,806		10,989
Other staff costs	19,086		15,246
Staff costs re-allocated	(301,403)		(216,948)
Employers NIC	116,402		112,119
Staff pension contributions	37,680		40,109
		950,335	983,289
Establishment expenses			
Rent, rates and service charges	143,389		124,356
Insurance	17,344		15,466
Repairs and maintenance	3,013		617
		163,746	140,439
General expenses			
Travel and subsistence	36,781		45,870
Telephone	17,998		18,085
Equipment repairs and renewals	20,479		20,127
Printing and stationery	27,460		22,636
Postage and carriage	6,760		8,152
Staff training & conferences	9,022		31,424
Recruitment expenses	31,771		1,393
Sundry expenses	8,668		8,594
Books and periodicals	837		1,696
Subscriptions and donations	3,436		3,351
Marketing	73,290		87,509
Entertaining	2,399		3,591
Legal and professional fees	43,627		35,009
Auditors remuneration	11,250		11,025
Amortisation	10,253		10,253
Depreciation of plant and machinery	33,027		29,054
Depreciation of fixtures and fittings	10,895		10,867
Depreciation of short leasehold	1,522		1,521
Loss/(Profit) on disposal of fixed assets	979		(60)
		350,454	350,097
Financial costs			
Bank charges	3,327		4,352
Foreign currency gains/losses	(2,068)		(1,944)
		1,259	2,408
	<u>1,465,794</u>		<u>1,476,233</u>

ASK EUROPE PLC
NOTES TO THE DETAILED GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2005

	2005	2004
	£	£
INTEREST RECEIVABLE		
Bank interest receivable	<u>9,600</u>	<u>4,949</u>