

WOMBAT EDUCATION LIMITED

BALANCE SHEET

and

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED APRIL 30, 2006



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COMPANIES HOUSE

Registered under the Companies Act in England number 3679698

WOMBAT EDUCATION LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 30th APRIL 2006

Directors:

Dr. Peter Vardy (Chairman and Director)
Marilyn Mason (Director)

Secretary:

Dr. Peter Vardy

Registered Office:

11, Eric MacDonald House, Parthenia Road, London SW6 4BQ

Report:

The company ran conferences in Britain, Australia and New Zealand for 6th form Religious Studies students, for Gifted and Talented students, GCSE students and for teachers in major centres in both countries. Books on ethics and philosophy of religion are sold at conferences and through the mail. The company previously owned 33.3% of a partnership trading as DIALOGUE EDUCATIONAL CONFERENCES which ran similar conferences but specialised in events for teachers. This partnership ceased trading in 2004/5.

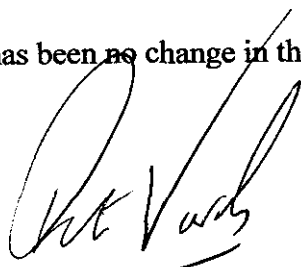
The company owns a long leasehold investment property and a freehold 2 bedroomed residential property in Christchurch. These properties are rented out to tenants on an assured shorthold tenancy. The company has purchased in the year a property being built in Cyprus and, as recorded in the notes to the accounts, only 50% of the price of the property is payable with the remainder being earned by the property being rented out. Since entering into this agreement with the Cypriot based British builder, J&I Estates Ltd., there have been delays in completing the property but the builder has promised completion prior to June 2007.

The company had no bank borrowings although it took out a mortgage secured on 22 Holway Close, Taunton to purchase the Cyprus property. The directors are satisfied that the company has sufficient funds to meet all its liabilities. The company continues to trade at a profit.

Marilyn Mason retires by rotation and offers himself for re-election as a director.

The company had no employees during the year and no amounts were paid to any directors or any other person as lump sum payments in lieu of expenses. The company has no fixed assets other than computers and peripherals and the investment properties referred to above.

There has been no change in the nature of the company's business during the year.


Director

WOMBAT EDUCATION LIMITED

BALANCE SHEET AT APRIL 30, 2006

| | NOTES | 2005 | 2006 |
|---|-------|------------------|------------------|
| FIXED ASSETS | 1 | 4 444 | 4 100 |
| INVESTMENTS | | | |
| Investment properties | 4 | 178 183 | 294 559 |
| | | 178 183 | 294 559 |
| CURRENT ASSETS | | | |
| Stock of Books | 5 | 3 869 | 4 514 |
| Balance at Bank | | 14 815 | 5 988 |
| Deposit account with Standard Life Bank | | 538 | 549 |
| Deposit account with Alliance and Leicester | | 0 | 20 940 |
| | | 19 222 | 31 991 |
| CURRENT LIABILITIES | | | |
| Creditors | | 680 | 746 |
| Corporation tax due | | 5 303 | 5 488 |
| | | 5 983 | 6 234 |
| NET CURRENT ASSETS | | 13 239 | 25 757 |
| LOANS NOT REPAYABLE WITHIN ONE YEAR | | | |
| Directors Loan account | 6 | (83 145) | (75 677) |
| Julie Arliss loan account | | 20 000 | (15 000) |
| J&I Estates Ltd. (see note) | 4 | 0 | (58 168) |
| Mortgage on investment property | | 0 | (60 900) |
| | | (103 145) | (209 745) |
| | | £92 721 | £114 671 |
| Represented by: | | | |
| SHARE CAPITAL | 7 | £ 10 000 | 10 000 |
| REVENUE RESERVES | 8 | 82 721 | 104 671 |
| | | £92 721 | £114 671 |

The directors have:

1. Taken advantage of the Companies Act 1985 in not having these accounts audited under section 249A(1).
2. Confirmed that no notice has been deposited under Section 249B(2) of the Companies Act 1985.
3. Acknowledged their responsibilities for ensuring that the Company keeps accounting records, which comply with Section 221 of the Companies Act 1985.
4. Acknowledged their responsibilities for preparing accounts which give a true and fair view of the company and its profit for the year ended in accordance with Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this act relating to accounts, so far as applicable to the company.

.....Peter Vardy (director).....Marilyn Mason (director)

WOMBAT EDUCATION LIMITED

INCOME STATEMENT FOR THE PERIOD FROM MAY 1, 2005 to APRIL 30, 2006

| | 2004-2005 | 2005-2006 |
|---|----------------|----------------|
| Fees earned in the year: | | |
| Australian income | 39 558 | 46 054 |
| United Kingdom income | 47 919 | 34 239 |
| | ----- | ----- |
| FEE INCOME FOR THE YEAR | 87 477 | 80 923 |
| | ----- | ----- |
| Books sold | 10 090 | 3 555 |
| | ----- | ----- |
| Less: Stock of books at 1st May 2005 | 7 035 | 3 869 |
| Cost of books purchased | 4 446 | 3 265 |
| Deduct stock of books at April 30, 2006 – Note 5 | (3 869) | (4 514) |
| | ----- | ----- |
| | 7 612 | 2 620 |
| | ----- | ----- |
| PROFIT ON BOOKS SOLD IN THE YEAR | 2 478 | 935 |
| | ----- | ----- |
| Rental income from investment properties - Note | 3 984 | 7 092 |
| Management costs | | (202) |
| Service Charge (buildings insurance, repairs, gardening etc.) | (599) | (856) |
| Contents Insurance | (180) | (165) |
| Interest on mortgage for property purchase | 0 | (2 204) |
| | ----- | ----- |
| NET PROFIT ON RENTAL INCOME FOR THE YEAR (Note 3) | 3 205 | 3 665 |
| | ----- | ----- |
| Interest earned on bank accounts | 234 | 923 |
| | ----- | ----- |
| GROSS INCOME FOR THE YEAR | £93 160 | £86 446 |
| | ----- | ----- |
| EXPENSES: | | |
| Telephone - (UK £585; to, from and in Australia £830) | 1 925 | 1 415 |
| U.K. travel (train and car hire) and accommodation to conferences around England, Scotland and Wales for speakers and organisers | 6 318 | 5 162 |
| UK costs to Universities and hotels for conference catering and room hire | 7 860 | 5 775 |
| Air travel to and from and within Australia and New Zealand, car hire and accommodation during three trips for two speakers to the region in the year | 17 949 | 17 906 |
| Fees paid for lecturers at conferences | 5 959 | 4 720 |
| Printing of conference flyers | 2 898 | 2 655 |
| Stationary and brochure printing | 4 635 | 3 957 |
| Advertising | 680 | 545 |
| Postage on leaflets | 4 396 | 3 677 |
| Copying and production of CDs and DVDs for delegates and research materials | 4 434 | 2 991 |
| Computer server hire for web and e-mail access | 774 | 594 |
| Computer supplies including software | 1 582 | 804 |
| Subscriptions | 87 | 198 |
| Secretarial Services for conference registration | 5 440 | 4 125 |
| Insurance | 238 | 242 |
| Mortgage arrangement fee on new mortgage. 1.5% on £60 000 | 0 | 900 |
| Bank Charges | 172 | 30 |
| Registrar of Companies | 15 | 30 |
| Depreciation – note 1 | 2 378 | 3 282 |
| | ----- | ----- |
| | 67 740 | 59 008 |
| | ----- | ----- |
| NET PROFIT FOR THE YEAR FROM TRADING ACTIVITIES c/fwd | 25 420 | 27 438 |

WOMBAT EDUCATION LIMITED
INCOME STATEMENT FOR THE PERIOD FROM
MAY 1, 2005 to APRIL 30, 2006
Continued

| | <u>2004-2005</u> | <u>2005-2006</u> |
|---|-------------------|-------------------|
| NET PROFIT FOR THE YEAR FROM TRADING ACTIVITIES b/fwd | 25 420 | 27 438 |
| Share of profit of Dialogue Education Conferences from 1st May 2004 to April 30, 2005 | 1 733 | 0 |
| | <u> </u> | <u> </u> |
| <u>NET PROFIT FOR THE YEAR BEFORE TAXATION</u> | 27 153 | 27 438 |
| Corporation tax payable at 20% - see Note 3 | 5 430 | 5 488 |
| | <u> </u> | <u> </u> |
| <u>NET PROFIT FOR THE YEAR AFTER TAXATION</u> | £21 723 | £ 21 950 |
| | <u> </u> | <u> </u> |

WOMBAT EDUCATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED APRIL 30, 2006

| 1. FIXED ASSETS | COST | DEPN. | N.B.V. |
|--|---------|--------|--------|
| Brought forward 1st May 2005 | £12 758 | £8 314 | £4 444 |
| Assets disposed of during the year – two computers Which were fully depreciated | 5 850 | 5 850 | 0 |
| | 6 908 | 2 464 | 4 444 |
| Cost of two Sony Vaio laptop purchased during the year | 2 938 | | 2 938 |
| | 9 846 | | 7 382 |
| Depreciation of 33% provided in the year | | 3 282 | 3 282 |
| Carried forward at 30 th April 2006 | £9 846 | £5 746 | £4 100 |

3. TAXATION

Taxation at 20% on profit for the year of £27 869 £5 538

4. INVESTMENT PROPERTIES

| | |
|--|----------|
| 22 Holway Close, Taunton, Somerset – at cost | £ 61 250 |
| 81/3 Trafalgar Street, Christchurch – at cost | 116 933 |
| Plot 1, Tremithousa, Patmos, Cyprus (see note below) | 116 376 |
| | £294 559 |

The company owns two freehold investment properties

- 22, Holway Close, Taunton, Somerset (purchased in 2000)
- 81/3 Trafalgar Street, Christchurch (purchased in April 2005).

These two properties were rented out during the year through rental agents. The properties are stated in the balance sheet at cost and the rental income shown in the accounts represents the rent on these properties.

During the year, the company purchased Number 1, Tremithousa, Tremithousa Village, nr Paphos, Cyprus from J&I Estates. This property is still to be built (promised to be completed in 2006/7) and has been purchased for CY£99 998 (£116 376). The company has purchased this property at a payment equal to 50% of the current value (CY£49999 rather than CY£99998) made during the financial year with CY£49 999 (£58 188) remaining outstanding as an interest free debt to the vendors. This remaining 50% can be paid at any time and the company will then have total ownership. However the company has entered into an agreement with the builders/vendors providing that for each year in which the builders/vendors manage and arrange occupancy of the property, one tenth of the balance of the purchase price of the property is written off (one tenth of CY£49999). At the end of ten years, therefore, the 50% of the purchase price remaining outstanding will be cleared and the company will have earned this 50% as income. Effectively this

guarantees the company an income of CY£4999 each year for the next ten years (a 10% return on it's investment) and this will be shown in the accounts each year as income. The property is freehold and the land is registered in the name of the company in Cyprus. The property is to be built in 2006/7 and the ten year agreement with the vendor commences from the date that building is complete.

5. STOCK OF BOOKS

Sales of books decreased from the high level in the previous year as no new books in the field of operations of the company were purchased during the year.

| | |
|---|--------|
| Books are valued at the lower of cost and net realisable value. | £4 514 |
| | <hr/> |
| | <hr/> |

6. SHARE CAPITAL

| | |
|---|---------|
| The company has 10000 £1 authorised, issued and fully paid shares | £10 000 |
| | <hr/> |
| | <hr/> |

8. REVENUE RESERVES

| | |
|--|----------|
| Net income for the period from formation of the company to 30 th April 2005 | £ 82 721 |
| Net income after taxation for the year ended 30 th April 2006 | 21 950 |

| | |
|---|----------|
| REVENUE RESERVES AT 30 TH APRIL 2006 | £104 671 |
| | <hr/> |
| | <hr/> |

9. EMPLOYEES

The company had no employees during the year.

10. DIRECTORS

No amounts were paid to directors during the year either as remuneration or as lump sum expenses.

11. DIRECTORS SHAREHOLDINGS

The shareholdings of directors in fully paid, ordinary shares are as follows:

| | |
|-----------------|-------|
| Dr. Peter Vardy | 9 000 |
| | <hr/> |
| | <hr/> |

Although these shares are in the name of Dr. Peter Vardy, Julie Arliss has an option to buy 50% of this shareholding entered into on 2nd February 2002 at a price equal to the net asset value of the company on 30th April 2001. This option has not yet been exercised.

12. DIRECTORS LOAN

The loan account is from Dr. Peter Vardy and is non-interest bearing.