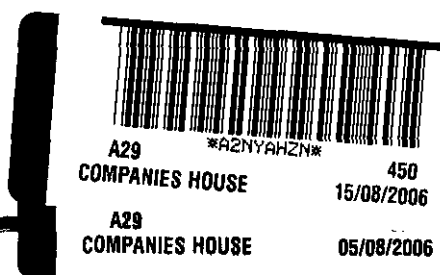


Ashorne Hill (Trading) Limited

Report and Financial Statements

**For the Period Ended
31 December 2005**

Company Registration No: 5335543



Ashorne Hill (Trading) Limited

Directors Report for the Period Ended 31 December 2005

The Directors present their report and audited financial statements of the company for the period ended 31st December 2005.

Principal activity

The Company's principal activity during the period was the arrangement of conferences and meetings as delegated by its parent company, Ashorne Hill Management College, a registered charity.

Review of business

The Company was incorporated on 18 January 2005. During the period to 31 December 2005 the Company recorded total income of £22,627 and made a surplus of £20,329. The sum of £15,500 has been donated back to Ashorne Hill Management College under Gift Aid arrangements, leaving a retained surplus of £4,829 to cover future costs.

The directors do not propose the payment of a dividend.

Directors and their interests

The directors holding office during the period were:

Mr R T Dore (appointed 18 January 2005)

Mr R M L Jackson (appointed 18 January 2005) (Company Secretary)

The directors have no interest in the shares of the company.

Shareholdings

The authorised share capital of the Company is £100 divided into 100 shares of £1 each.

At 31 December 2005 2 shares had been issued. These are registered to Ashorne Hill Management College.


Statement of Directors' Responsibilities

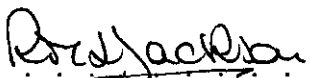
The Directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the trading results for that period.

The Directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the period ended 31 December 2005. The Directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

 Director

 Secretary

25 April 2006 Date

Independent auditors' report to the members of Ashorne Trading Limited

We have audited the financial statements, which comprise the profit and loss account, the balance sheet, and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

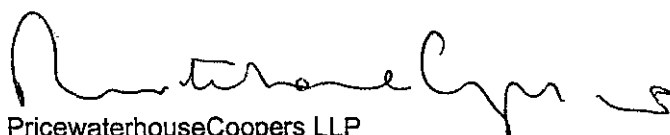
Basis of audit opinion

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 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 company's affairs at 31 December 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham 25 April 2006

Ashorne Hill (Trading) Ltd

Profit and Loss Account for the Period to 31st December 2005

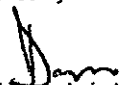
	Notes	£	2005 £
<u>Turnover</u>	1 b		
Events			22,489
Interest received			138
			<hr/> 22,627
<u>Net Operating Expenses</u>	1 c		
Administration charge		2,249	
Bank Charges		49	
		<hr/> 2,298	
Operating Profit			20,329
Gift Aid donation to parent undertaking			15,500
Profit on ordinary activities before taxation			<hr/> 4,829
Tax on profit on ordinary activities	4		0
Profit for the financial period			<hr/> 4,829

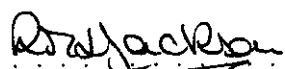
All items dealt with in arriving at the profit on ordinary activities before taxation relate to continuing activities.
The Company has no recognised gains or losses other than those included in the profits above, and therefore
no separate statement of total recognised gains and losses has been presented.
There is no difference between the profit on ordinary activities before taxation and the profit for the year
stated above and their historical cost equivalents.

Balance Sheet as at 31st December 2005

	Notes	£	2005 £
<u>Current Assets</u>			
Cash at Bank			18,913
Debtor - owed by parent company undertaking	5		1,418
			<hr/> 20,331
<u>Less: Current Liabilities</u>			
Creditor - owed to parent company undertaking	6		15,500
			<hr/>
Net assets			<hr/> 4,831
<u>Capital and Reserves</u>			
Called up share capital	7		2
Profit and loss account	8		4,829
			<hr/>
Equity shareholders' funds			<hr/> 4,831

Approved by the Board of Directors

 Director

 Secretary

25 April 2006 Date

Ashorne Hill (Trading) Limited

Notes to the Financial Statements

Period Ended 31 December 2005

1. Accounting Policies

(a) *Accounting Convention*

The financial statements are prepared under the historical cost convention, the Companies Act 1985 and applicable Accounting Standards in the United Kingdom.

(b) *Turnover*

Turnover primarily represents amounts receivable for non-charitable events held at Ashorne Hill Management College, the Company's parent Company, under an operating licence dated 24 January 2005. All income arises in the UK.

(c) *Net Operating Expenses*

Net operating expenses primarily consist of the administration charge made by Ashorne Hill Management College in respect of the events included under Income. The charge represents a reasonable allowance for the use of College resources in accommodating and managing the events.

(d) *Tangible Fixed Assets and Investments*

The Company held no assets or investments during the period.

(e) *Consolidation*

Due to the low level of business, which is considered immaterial, the accounts of the Company for the period ended 31 December 2005 have not been consolidated with those of the Parent Company.

2 Information regarding Directors and Employees

The Company employed no staff during the period. The Directors are employed by Ashorne Hill Management College and an appropriate proportion of their time has been included in the administration charge made by the College.

3 Auditors Remuneration

No Auditors remuneration was paid directly by the Company in the period. An appropriate allowance of the Auditors' charge to the parent company has been included in the administration charge made by the College.

4 Taxation

No taxation is anticipated to be payable on the profits for the period. The majority of profit has been gift-aided back to the charitable parent undertaking, leaving a balance of £4,829 to be retained. The latter is within the £5,000 exemption available for the 2005/06 tax period.

5 Debtors

The debtor at 31 December 2005 represents the December 2005 quarter event income paid by Ashorne Hill Management College in January 2006.

6 Creditors

The creditor at 31 December 2005 represents the gift aid payment for that period to the Charity, Ashorne Hill Management College, made in March 2006.

7 Share Capital

The authorised share capital of the Company is £100 divided into 100 shares of £1 each. Of these two shares have been issued to Ashorne Hill Management College.

The Company is a wholly owned subsidiary of Ashorne Hill Management College.

8 Reserves

A reserve of £4,829 has been retained to cover future costs incurred by the Company.

9 Movements in Shareholders' Funds

	<u>2005</u> <u>£</u>
Profit for the period	4,829
Net addition to shareholders' funds	4,829
Opening shareholders' funds	-
Closing shareholders' funds	<u>£4,829</u>

10 Capital Commitments and Contingent Liabilities

There were no capital commitments or contingent liabilities at 31 December 2005.

11 Ultimate parent undertaking

The ultimate parent undertaking and controlling party is Ashorne Hill Management College, a registered charity.