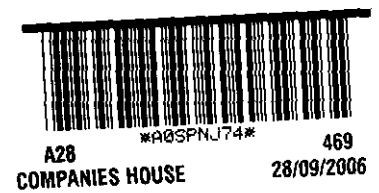


280 2047

QUANTICA TRAINING LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

for the period ended 02 December 2005



QUANTICA TRAINING LIMITED

COMPANY INFORMATION

DIRECTORS

LW Lawson
D Kemple
RE Turner
C Aitken
N Hay

SECRETARY

RE Turner

REGISTERED OFFICE

Quantica House
Lowfields
Elland
HALIFAX HX5 9DF

AUDITORS

KPMG Audit Plc
1 The Embankment
Neville Street
LEEDS
LS1 4DW

BANKERS

Barclays Bank plc
PO Box 190
Minerva House
29 East Parade
LEEDS LS1 5TW

SOLICITORS

DLA Piper Rudnick Gray Cary LLP
Princes Exchange
Princes Street
Leeds
LS1 4BY

COMPANY NUMBER

2802047

FINANCIAL STATEMENTS

The Directors submit their report and financial statements for the period ended 02 December 2005.

DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial period 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;
- 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

PRINCIPAL ACTIVITY

The principal activity of the Company is the provision of training services.

BUSINESS REVIEW AND DIVIDENDS

The result for the period can be found on page 5. The directors recommend the payment of a final ordinary dividend of £681,000 (2004: £350,000) in the period giving a total dividend for the period of £681,000 (2004: £350,000).

DIRECTORS

The Directors who served the Company during the period were as follows:

LW Lawson
RE Turner
D Kemple
C Aitkes
N Hay (appointed 1 December 2004)

No director had any interest in the share capital of the Company at any time during the period.

LW Lawson and RE Turner are also directors of the ultimate parent company, Quantica plc. Their interests in the shares of that company are disclosed in that company's accounts.

Total Emoluments

	Salary	Bonus	2005 Total	2004 Total
	£'000	£'000	£'000	£'000
Directors	203	56	259	172

AUDITORS

In accordance with Section 384 of the Companies a resolution proposing the re-appointment of KPMG Audit Plc as auditors of the Company and giving authority to the Directors to agree its remuneration will be submitted to the forthcoming Annual General Meeting.

This report was approved by the Board on 15th September 2006.

A handwritten signature in black ink, appearing to be 'RE Turner', written in a cursive style.

RE Turner
Director

AUDITORS' REPORT

Report of the independent auditors to the members of Quantica Training Limited

We have audited the financial statements on pages 5 to 13.

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

The directors are responsible for preparing the Directors' Report, as described on page 2, and the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements to be audited have been 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.

Basis of audit opinion

We conducted our audit in accordance with 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 02 December 2005 and of the profit of the Company for the 53 week period then ended; and
- the financial statements to be audited have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
1 The Embankment
Neville Street

LEEDS LS1 4DW

15th September 2006

QUANTICA TRAINING LIMITED**PROFIT AND LOSS ACCOUNT**
for the period ended 02 December 2005

		Period ended 02 December 2005 £'000	Period ended 26 November 2004 £'000
	Notes		
Turnover	2	2,893	2,352
Cost of sales		<u>(1,250)</u>	<u>(1,135)</u>
Gross profit		1,643	1,217
Administrative expenses		<u>(839)</u>	<u>(722)</u>
Operating profit	3	804	495
Interest payable	3	<u>(2)</u>	<u>-</u>
Profit on ordinary activities before taxation		802	495
Tax on profit on ordinary activities	4	<u>(91)</u>	<u>(149)</u>
Profit on ordinary activities after taxation		711	346
Dividends	5	<u>(681)</u>	<u>(350)</u>
Retained profit/(loss) for the period	13	<u><u>30</u></u>	<u><u>(4)</u></u>

The notes on pages 7 to 13 form part of these financial statements.

There were no recognised gains or losses other than the profit/(loss) for the current and the previous period. The above results are derived entirely from continuing operations.

QUANTICA TRAINING LIMITED

BALANCE SHEET as at 02 December 2005

	Notes	02 December 2005		26 November 2004	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	6		131		128
Intangible assets	7		19		-
			<u>150</u>		<u>128</u>
CURRENT ASSETS					
Debtors	8	5,810		5,146	
Cash at bank and in hand		<u>677</u>		<u>63</u>	
		6,487		5,209	
CREDITORS: amounts falling due within one year	9	<u>(6,407)</u>		<u>(5,137)</u>	
Net current assets			<u>80</u>		<u>72</u>
Net assets			<u>230</u>		<u>200</u>
CAPITAL AND RESERVES					
Called up share capital	11		138		138
Share premium account	12		23		23
Profit and loss account	12		<u>69</u>		<u>39</u>
Shareholders' funds (all equity)	13		<u>230</u>		<u>200</u>

The financial statements on pages 5 to 13 were approved by the Board on 15th September 2006.



RE Turner
Director



LW Lawson
Director

1. ACCOUNTING POLICIES**Accounting convention**

The financial statements have been prepared under the historical cost convention and on a going concern basis. The financial statements have been prepared in accordance with applicable accounting standards and the Companies Act 1985.

Cashflow statement

Under the provisions of Financial Reporting Standard Number 1 (revised 1996), the Company has not prepared a cashflow statement because, as a wholly owned subsidiary of Quantica plc, it satisfies the exemption criteria. A group cashflow statement is included in the financial statements of Quantica plc.

Turnover

Turnover represents amounts receivable for business services provided in the normal course of business in the UK, net of VAT and other related taxes.

Intangible fixed assets

Intangible fixed assets are stated at cost less amortisation. Amortisation is charged on all intangibles on a straight line basis over its anticipated useful economic life. The directors have assessed the useful economic life as being three years.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Motor vehicles	over 4 years
Office equipment	over 3 to 10 years

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and leases which result in the transfer to the Company of substantially all the risks and rewards of ownership (finance leases) are capitalised as tangible fixed assets at the estimated present value of underlying lease payments and are depreciated in accordance with the above policy. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account over the year of the lease or hire purchase contract so as to produce a constant periodic rate of charge on the outstanding balance of the net obligation in each period.

Rentals paid under other leases (operating leases) are charged against income on a straight line basis over the lease term.

1. ACCOUNTING POLICIES (continued)**Taxation**

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 "Deferred Tax".

Pension costs

Company contributions made to certain employees' personal pension plans are charged to the profit and loss account in the year in which they are payable.

2. TURNOVER AND OPERATING PROFIT

The Directors regard the Company as carrying on one continuing class of business, namely the provision of training services. Turnover and operating profit are generated within the United Kingdom.

3. OPERATING PROFIT is stated after charging

	2005 £'000	2004 £'000
Depreciation	52	50
Loss on disposal of fixed assets	2	-
Amortisation of intangibles	6	-
Operating lease charges:		
Land and buildings	77	77
Other assets	15	15

INTEREST PAYABLE

	2005 £'000	2004 £'000
Bank interest payable	2	-

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2005 £'000	2004 £'000
Current Year		
UK current year taxation	237	149
Prior Year		
Corporation Tax	(146)	-
	91	149

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (continued)*Factors affecting the tax charge for the current period*

The current tax charge for the period is the lower than (2004: same as) the standard rate of corporation tax in the UK (30%, 2004: 30%). The differences are explained below.

	2005 £'000	2004 £'000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	802	495
	<hr/>	<hr/>
Current tax at 30% (2004: 30%)	240	149
<i>Effects of:</i>		
Expenses not deductible for tax purposes	3	-
Short Term timing difference	(6)	-
Prior year adjustment	(146)	-
	<hr/>	<hr/>
Total current tax charge (see above)	91	149
	<hr/>	<hr/>

5. DIVIDENDS

	2005 £'000	2004 £'000
Ordinary		
Final proposed of £4.95 per share (2004 : £2.55 per share)	681	350
	<hr/>	<hr/>

QUANTICA TRAINING LIMITED
NOTES TO THE FINANCIAL STATEMENTS

6. TANGIBLE FIXED ASSETS

	Office equipment £'000	Motor vehicles £'000	Total £'000
Cost			
As at 26 November 2004	476	24	500
Additions	57	-	57
Disposals	(188)	(12)	(200)
	<u>345</u>	<u>12</u>	<u>357</u>
At 02 December 2005			
Depreciation			
As at 26 November 2004	(354)	(18)	(372)
Charge for the period	(50)	(2)	(52)
Disposals	186	12	198
	<u>(218)</u>	<u>(8)</u>	<u>(226)</u>
At 02 December 2005			
Net book value			
At 02 December 2005	<u>127</u>	<u>4</u>	<u>131</u>
As at 26 November 2004	<u>122</u>	<u>6</u>	<u>128</u>

7. INTANGIBLE FIXED ASSETS

	Goodwill £'000
Cost	
At 26 November 2004	-
Additions	25
	<u>25</u>
At 02 December 2005	
Amortisation	
At 26 November 2004	-
Charge for year	(6)
At 02 December 2005	19
	<u>19</u>
Net book value	
At 02 December 2005	<u>19</u>
At 26 November 2004	<u>-</u>

QUANTICA TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8. DEBTORS

	2005	2004
	£'000	£'000
Trade debtors	786	478
Amounts owed by fellow subsidiary undertakings	3,862	3,673
Other taxes	16	321
Prepayments and accrued income	1,146	674
	<u>5,810</u>	<u>5,146</u>

9. CREDITORS: amounts falling due within one year

	2005	2004
	£'000	£'000
Trade creditors	8	-
Amounts owed to fellow subsidiary undertakings	5,996	4,752
Corporation tax	241	150
Other taxes and social security costs	-	12
Other creditors	88	15
Accruals and deferred income	74	209
	<u>6,407</u>	<u>5,138</u>

10. PENSION COSTS

The Company contributes to certain employees' personal pension plans. The assets of these schemes are held separately from those of the company. The pension cost charge amounted to £5,250 (2004: £5,250).

11. CALLED UP SHARE CAPITAL

	2005		2004	
	Number	£	Number	£
Authorised				
£1 ordinary shares	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>
Allotted, called up and fully paid				
£1 ordinary shares	<u>137,541</u>	<u>137,541</u>	<u>137,541</u>	<u>137,541</u>

QUANTICA TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

12. RESERVES

	Share premium account £'000	Profit & loss account £'000
At 26 November 2004	23	39
Retained Profit for period	-	30
	<u>23</u>	<u>30</u>
At 02 December 2005	<u>23</u>	<u>69</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £'000	2004 £'000
Profit for the period	711	346
Dividends	(681)	(350)
	<u>30</u>	<u>(4)</u>
Net addition to/(reduction in) shareholders' funds	30	(4)
Opening shareholders' funds	200	204
	<u>200</u>	<u>204</u>
Closing shareholders' funds	<u>230</u>	<u>200</u>

14. EMPLOYEES

(1) Number of employees

	2005 Number	2004 Number
The average weekly number of persons (including directors) employed by the Company during the period was:		
Consultants	20	31
Administration	26	16
	<u>46</u>	<u>47</u>

(2) Employment costs

	£'000	£'000
Wages and salaries	919	827
Social security costs	79	74
Other pension costs	5	5
	<u>1,003</u>	<u>906</u>

15. CONTINGENT LIABILITIES

The Company is party to a cross guarantee arrangement with certain fellow group undertakings in relation to certain group borrowings.

16. FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

Operating leases which expire:

	Land & buildings		Other	
	2005	2004	2005	2004
	£'000	£'000	£'000	£'000
Within one year	-	-	15	15
In the second to fifth year	77	77	-	-
	<u>77</u>	<u>77</u>	<u>15</u>	<u>15</u>

17. RELATED PARTY TRANSACTIONS

As a subsidiary undertaking of Quantica plc, the Company has taken advantage of the exemption in FRS8 "related party transactions", not to disclose transactions with other members of the group.

18. ULTIMATE PARENT UNDERTAKING

The Directors regard Quantica plc, a company incorporated in Great Britain and registered in England and Wales, as the Company's ultimate parent undertaking. Copies of the ultimate parent undertaking's financial statements are available from the Secretary at Quantica House, Lowfields, Elland, Halifax, West Yorkshire HX5 9DF.