

2005/06

Imparta Limited

Report and Financial Statements

31 December 2005

 ERNST & YOUNG



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COMPANIES HOUSE 24/08/2006

Imparta Limited

Registered No: 3370400

Directors

R J B Barkey
D Stephen
M W Abell
A K Stewart
P J Williamson
M G Hay
C D Melia

Secretary

G Calitz

Auditors

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Directors' report

The directors present their report and financial statements for the year ended 31 December 2005.

Principal activities

The principal activity continued to be the development and delivery of capability building solutions that combine traditional workshops with sophisticated multimedia-based training, coaching and reinforcement to create measurable impact for our clients. The company has a particular focus on helping customers improve their sales and marketing effectiveness.

Results

The company achieved another year of sound growth, with 2005 revenues just under 31% higher than those in 2004. Net profit for the year was £583,485 after tax (2004 - £239,994).

The company ended 2005 with a strong sales pipeline, on the basis of which we expect significant growth to continue into 2006.

Financial review

The results as reported in 2004 showed significant improvement over the previous year and we stated at the time that this trend was continuing into 2005. The results for 2005 demonstrate the continued success of the company in delivering excellent service to its clients, and translating that into strong returns for shareholders. In summary:

- Turnover increased by just under 31% from £3.2 million to £4.2 million;
- Operating profit grew by 167%, despite continued investment in growth throughout the year. In order to give a more accurate picture of performance, the company started capitalising investment in long-term software platforms. This added £155k in profits, but the majority of profit growth came from operational leverage in the business;
- Net current assets grew by £483,860;
- We entered 2006 with a pipeline of relatively firm sales totalling approximately £5m.

The following table summarises the company's financial performance over the last 3 years:

	2003	2004	2005
	£	£	£
Turnover	2,395,279	3,228,356	4,225,544
Gross profit	2,007,927	2,484,401	3,156,722
Profit on ordinary activities before tax	190,662	210,250	553,119
Profit on ordinary activities after tax	287,873	239,994	583,485

Directors' report (continued)

Strategy and operations

Our positioning remains as a company that goes beyond training to deliver, and measure, real performance improvements in sales and marketing. We achieve this through a range of approaches, including:

- Online learning (often used as pre-work for workshops), including online simulations;
- A wide range of workshops (covering a wide range of sales, coaching, marketing and leadership topics, as well as custom programmes);
- Reinforcement, including coaching tools, "coach the coach" sessions, and online/PDA-based learning and application tools that are customised to the client's business;
- Measurement approaches that allow us to assess and report impact at a variety of levels;
- The i-Coach "Academy Management" system.

The Academy concept (in effect, outsourcing the process of performance improvement) continues to play an important part in our growth, creating as it does multi-year revenues and the opportunity to have real impact on our clients' businesses. Our technology forms a strong foundation for this offering while providing added differentiation, and we have a global network of around 40 high quality faculty members to provide the human component.

We work closely with a relatively small number of leading organisations. Our major clients in 2005 included O2, Hewlett Packard, General Electric, Lucent, Kantar, P&O, the WPP Group and MeadWestvaco.

The company opened its Asia Pacific office in Melbourne, Australia during 2005. The company already has a US operation and partnerships in China, Japan, Singapore and Denmark, and plans to expand its international network further in 2006.

Research and development

One of the key elements of Imparta's competitive advantage is the technology that underpins the efficiency and effectiveness of our blended learning solutions. In order to maintain and increase this advantage, we continue to undertake research and development. Projects we have undertaken during 2005 include:

- The completion of a new rapid-development system for simulations, designed to reduce significantly the cost of custom simulation development;
- Investment in the creation of new content in sales, marketing and leadership;
- Further extension of the i-Coach platform to streamline course and attendee management

The board is pleased with the company's performance in 2005 and looks forward to continued growth and success in 2006 and beyond.

Directors' report (continued)

Directors and their interests

The directors during the year and their beneficial interests in the shares and share options of the company at the beginning and the end of the year were as follows:

	Share options on ordinary shares		Ordinary shares of 2.5 p each		Ordinary 'A' shares of 2.5 p each		5% Convertible loan notes of £40 each	
	2005	2004	2005	2004	2005	2004	2005	2004
R J B Barkey	-	-	104,850	104,850	-	-	-	-
D Stephen	-	-	-	-	-	-	-	-
M W Abell	10,971	10,971	-	-	-	-	-	-
A K Stewart	-	-	411	411	411	411	100	100
P J Williamson	2,723	2,723	1,154	1,154	2,741	2,741	535	535
M G Hay	1,362	1,362	-	-	1,371	1,371	-	-
C D Melia	4,500	4,500	-	-	-	-	-	-

No share options were exercised during the year.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Small company exemptions

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



Director

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom Generally Accepted Accounting Practice.

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;
- 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 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.

Independent auditors' report

to the members of Imparta Limited

We have audited the company's financial statements for the year ended 31 December 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 15. These financial statements have been prepared on the basis of 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 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 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 Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom 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 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 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 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.

Independent auditors' report

to the members of Imparta Limited (continued)

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



Ernst & Young LLP
Registered Auditor
London

Profit and loss account

for the year ended 31 December 2005

	Notes	2005 £	2004 £
<i>Turnover</i>	2	4,225,543	3,228,356
Cost of sales		(1,068,822)	(743,955)
<i>Gross profit</i>		3,156,721	2,484,401
Research and development costs		(279,648)	(443,641)
Selling and distribution expenses		(1,139,047)	(900,901)
Administrative expenses		(1,286,221)	(1,022,778)
Other operating income	3	99,918	89,573
<i>Operating profit</i>	4	551,723	206,654
Interest receivable and similar income		29,817	24,809
Interest payable and similar charges		(28,421)	(21,213)
<i>Profit on ordinary activities before taxation</i>		553,119	210,250
Taxation	5	30,366	29,744
<i>Profit on ordinary activities for the year</i>		583,485	239,994
Other appropriations: non-equity shares	6	-	(217,126)
<i>Retained profit for the financial year</i>		583,485	22,868

Statement of total recognised gains and losses

There are no recognised gains or losses for the year other than those shown in the profit and loss account.

Balance sheet

at 31 December 2005

	Notes	2005 £	2004 £
Fixed assets			
Intangible assets	7	244,441	76,339
Tangible assets	8	203,242	271,719
		<u>447,683</u>	<u>348,058</u>
Current assets			
Stocks	9	-	24,763
Debtors	10	1,241,270	741,157
Cash at bank and in hand		873,658	1,041,363
		<u>2,114,928</u>	<u>1,807,283</u>
Creditors: amounts falling due within one year	11	565,703	741,918
Net current assets		<u>1,549,225</u>	<u>1,065,365</u>
Total assets less current liabilities		<u>1,996,908</u>	<u>1,413,423</u>
Creditors: amounts falling due after more than one year			
Loans	12	441,186	441,186
		<u>1,555,722</u>	<u>972,237</u>
Capital and reserves			
Called up share capital	13	5,486	5,486
Share premium account	14	5,829,821	5,829,821
Other reserves	14	-	833,622
Profit and loss account	14	(4,279,585)	(5,696,692)
Shareholders' funds		<u>1,555,722</u>	<u>972,237</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.



R J B Barkey
Director

Notes to the financial statements

at 31 December 2005

1. Accounting policies

Accounting convention

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

Intangible assets

Costs incurred in relation to the internationalisation of company software and training materials (including the cost of creation of foreign language versions) are treated collectively as an intangible asset and amortised over an estimated useful economic life of 20 years.

Costs incurred in the creation of company software platforms that meet the criteria required for capitalisation in terms of UK GAAP are treated collectively as an intangible asset and amortised over an estimated useful economic life of 5 years, commencing from the date the asset is brought into use for commercial purposes.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates per annum calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	-	10% straight line
Computer equipment	-	20% and 33% straight line
Office equipment	-	20% straight line
Production equipment	-	20% straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

Change in accounting policy

During the year the company changed its policy of accounting for software platform development costs that meet the requirements of UK GAAP from expensing them to the profit and loss account to capitalising them on the balance sheet in order to reflect fairer presentation. The net effect of this change in policy was to increase current year profits and intangible assets by £154,773. Prior year figures have not been adjusted as the requirements of UK GAAP were not met due to a high level of uncertainty at the time as to the viability of previous projects.

Leasing commitments

Costs incurred in respect of operating leases are charged on a straight line basis over the term of the lease. Leasing arrangements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting period.

Notes to the financial statements

at 31 December 2005

1. Accounting policies (continued)

Pension contributions

The company operates a Stakeholder pension scheme that is open to all employees. No additional contributions are made by the company towards this scheme.

There is a provision made in the financial statements in relation to pensions that are contractually provided for in employee service agreements. There is no pension scheme in place at present and no cash has been paid in relation to these pension entitlements but the cost of providing such pensions is accrued in the financial statements on a monthly basis. Where the pension relates to a director, the cost of this has been included as part of directors' emoluments in the notes to the financial statements.

Revenue recognition

The company generates the following types of revenue:

Licence fees

Licence fees are earned under software license agreements to end-users. Revenues from perpetual licenses to end-users are recognised upon shipment of the invoice if collection of the resulting receivable is probable, the fee is fixed and determinable, and there are no significant post-delivery obligations. If an acceptance period is required, revenues are recognised upon the earlier of customer acceptance or the expiration of the acceptance period. Revenues from licences for a defined or finite period are recognised evenly over this period.

Course fees

The company facilitates learning programmes. Revenue from such courses is generally recognised rateably as the courses take place.

Service fees

Services consist of support arrangements, consulting, tailoring and development services. Support agreements generally call for the company to provide technical support and provide certain rights to software updates to customers. Revenue on technical support and software update rights is recognised evenly over the term of the support agreement. The company provides consulting and tailoring services to its customers; revenue from such services is generally recognised as the services are performed.

Stocks

Stocks are stated at the lower of average cost and net realisable value.

Deferred tax

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 exceptions:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

2. Turnover

Turnover in respect of continuing activities represents amounts receivable for services net of VAT and trade discounts. 44% (2004 - 45%) of turnover is attributable to geographical markets outside the United Kingdom.

Notes to the financial statements

at 31 December 2005

3. Other operating income

	2005	2004
	£	£
Rental income from subletting office premises	99,769	89,413
Profit on disposal of fixed assets	149	60
Other non-trade items	-	100
	<u>99,918</u>	<u>89,573</u>

4. Operating profit

This is stated after charging:

	2005	2004
	£	£
Auditors' remuneration - audit services (current year)	14,000	13,500
- audit services (prior year overprovision)	(543)	-
- other services	6,261	6,750
Directors' emoluments	298,534	265,697
Amounts paid to third parties for the services of directors	97,100	98,300
Depreciation of tangible fixed assets - owned	50,462	54,541
- leased	18,393	18,393
Amortisation of intangible fixed assets	3,986	3,290
Operating lease rentals - land and buildings	170,249	146,012
- other	485	485
	<u></u>	<u></u>

5. Taxation

(a) Analysis of credit in year:	2005	2004
	£	£
<i>Current tax:</i>		
UK corporation tax on profits of the period	5,665	6,765
Adjustment in respect of previous period	(685)	98
Research and development tax credit:		
Current tax charge	4,980	6,863
<i>Deferred tax:</i>		
Tax losses carried forward	(35,346)	(36,607)
	<u>(30,366)</u>	<u>(29,744)</u>

The company has estimated losses of £4,232,909 (2004 - losses of £4,775,509) available for carrying forward against future trading profits. The directors have chosen to recognise a potential deferred tax asset due to the expectation of future tax profits.

Notes to the financial statements

at 31 December 2005

5. Taxation (continued)

(b) Factors affecting the current tax charge:

	2005 £	2004 £
Net profit on ordinary activities before tax	553,119	210,250
Net profit on ordinary activities before tax multiplied by UK standard company rate of 19% (2004 - 19%)	105,093	39,947
<i>Effects of:</i>		
Expenses not deductible for tax purposes	1,151	3,933
Difference between capital allowances and depreciation/amortisation	1,306	(2,085)
Utilisation of tax losses	(103,094)	(36,607)
Other timing differences	1,976	1,577
Prior period adjustment	(685)	-
Marginal relief	(767)	98
Current tax charge for the year	4,980	6,863

6. Other appropriations: non-equity shares

In the past the company made a notional charge relating to the amortisation of the redemption premium and issue costs on the Series A-1 Shares. 2 November 2005 (being the date six months prior to the official redemption date of 2 May 2006) was the cut-off date on which the Series A-1 shareholders were required, had this been their intention, to express their intention to redeem these shares. As this did not take place, the shares lost their rights to be redeemed with the result that the balance of notional finance cost, being £833,622 at 31 December 2004, was reversed out of other reserves to the profit and loss reserve account. Refer also to notes 13 and 14 below.

7. Intangible assets

	Translation cost £	Platform development £	Total £
Cost:			
At 1 January 2005	79,733	-	79,733
Additions	-	164,238	164,238
Reclassifications	-	7,850	7,850
At 31 December 2005	79,733	172,088	251,821
Amortisation:			
At 1 January 2005	3,394	-	3,394
Provided during the year	3,986	-	3,986
At 31 December 2005	7,380	-	7,380
Net book value:			
At 31 December 2005	72,353	172,088	244,441
At 31 December 2004	76,339	-	76,339

Notes to the financial statements

at 31 December 2005

8. Tangible fixed assets

	<i>Fixtures and fittings</i>	<i>Office equipment</i>	<i>Production equipment</i>	<i>Computer equipment</i>	<i>Total</i>
	£	£	£	£	£
Cost:					
At 1 January 2005	487,801	30,719	14,524	238,276	771,320
Additions	801	704	-	7,477	8,982
Reclassifications	-	-	-	(7,850)	(7,850)
Disposals	-	-	-	(1,357)	(1,357)
At 31 December 2005	488,602	31,423	14,524	236,546	771,095
Depreciation:					
At 1 January 2005	254,258	20,832	13,934	210,577	499,601
Provided during the year	48,857	6,207	590	13,201	68,855
Disposals	-	-	-	(603)	(603)
At 31 December 2005	303,115	27,039	14,524	223,175	567,853
Net book value:					
At 31 December 2005	185,487	4,384	-	13,371	203,242
At 31 December 2004	233,543	9,887	590	27,699	271,719

Included in fixtures and fittings are assets held under finance leases with a net book value of £92,937 at the year end (2004 - £111,331).

9. Stocks

	2005	2004
	£	£
Course materials	-	24,763

During the year, all stock on hand was expensed to the profit and loss account as it was all obsolete.

10. Debtors

	2005	2004
	£	£
Trade debtors	800,317	553,321
Other debtors	271,081	48,262
Prepayments and accrued income	60,708	65,756
Deferred tax (note 5)	109,164	73,818
	1,241,270	741,157

Notes to the financial statements

at 31 December 2005

11. Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	93,530	151,106
Other tax and social security cost	74,322	98,612
Other creditors	76,925	57,460
Deferred income	200,441	347,959
Corporation tax	5,665	6,863
Accruals	114,820	79,918
	<u>565,703</u>	<u>741,918</u>

12. Loans

	2005 £	2004 £
Wholly repayable within five years:		
5% convertible loan notes, wholly repayable from 30 April 2010 (see below)	441,186	441,186
	<u>441,186</u>	<u>441,186</u>
	2005 £	2004 £
Amounts repayable:		
Within five years	441,186	441,186
	<u>441,186</u>	<u>441,186</u>

The company issued 11,029.65 5% convertible unsecured loan notes of £40 each ('loan notes') on 30 April 2004, raising a total of £441,186. The purpose of the issue was to raise additional funds for growth purposes. The loan notes are convertible on the later of 30 April 2010 and the fifth business day following the redemption by the company of all series A-1 shares and the payment of all outstanding dividends or interest payable to the holders of the series A-1 shares as detailed above and in note 6, subject to a final redemption date of 30 April 2020. The loan notes are convertible into ordinary shares at the rate of £0.025 nominal for every £40 nominal of loan notes converted.

Notes to the financial statements

at 31 December 2005

13. Share capital

Authorised

	2005 £	2004 £
Ordinary shares of 2.5 pence each	5,125	5,125
Ordinary 'A' shares of 2.5 pence each	1,125	1,125
Ordinary 'B' shares of 2.5 pence each	625	625
Series 'A-1' convertible preference shares of 2.5 pence each	525	525
	<u>7,400</u>	<u>7,400</u>

Allotted, called up and fully paid

	2005 No	2004 No	2005 £	2004 £
Ordinary shares of 2.5 pence each	155,345	155,345	3,884	3,884
Ordinary 'A' shares of 2.5 pence each	45,000	45,000	1,125	1,125
Series 'A-1' convertible preference shares of 2.5 pence each	19,077	19,077	477	477
	<u>219,422</u>	<u>219,422</u>	<u>5,486</u>	<u>5,486</u>

Series A-1 shares

The series A-1 convertible preference shares of 2.5 pence each shall convert into ordinary shares of 2.5 pence on a one to one basis immediately prior to and conditional upon the occurrence of an Exit by the company, as contemplated in the Articles of Association. Refer also to note 6 above.

Warrants

The company currently has a total of 12,793 warrants in existence, made up as follows.

- Revenue warrants – Up to 6,004 revenue warrants had been earned by GE Capital Equity Holdings, Inc at the balance sheet date, 275 of which were earned during 2005. These warrants have not yet been issued and have a strike price of £66.67 and a cashless exercise option on exit.
- Other warrants - 6,789 warrants relate to shares issued in 2001. These warrants entitle the holders to convert their warrants into shares on a one-for-one basis at any time up until July 2006 at a price of £91.84.

Notes to the financial statements

at 31 December 2005

13. Share capital (continued)

Share options

The company operates an Enterprise Managed Incentive (EMI) scheme under which options to subscribe for the company's shares have been granted to certain employees. Options granted expire ten years from date of grant but cannot be exercised until the company has made an exit.

<i>Option exercise price</i>	<i>Expiry date</i>	<i>1 January 2005 £</i>	<i>Granted during the year £</i>	<i>Cancelled and lapsed during 31 December the year £</i>	<i>31 December 2005 £</i>
£30.00	30 June 2015	-	850	-	850
	28 July 2014	1,725		820	905
	23 June 2014	3,150		150	3,000
£17.10	30 June 2015	-	300	-	300
£12.80	28 July 2014	2,653		-	2,653
£0.025	28 July 2014	1,499		-	1,499
£78.00	19 September 2012	300	-	300	-
£66.67	26 November 2010	110	-	-	110
		<u>9,437</u>	<u>1,150</u>	<u>1,270</u>	<u>9,317</u>

The following options were granted in unapproved share option schemes. Options granted expire ten years from date of grant but cannot be exercised until the company has made an exit.

<i>Option exercise price</i>	<i>Expiry date</i>	<i>1 January 2005 £</i>	<i>Granted during the year £</i>	<i>Cancelled and lapsed during 31 December the year £</i>	<i>31 December 2005 £</i>
£0.025	6 December 2014	750	-	-	750

Notes to the financial statements

at 31 December 2005

14. Reconciliation of shareholders' funds and statement of movements on reserves

	<i>Share capital £</i>	<i>Share premium account £</i>	<i>Other reserves £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 1 January 2004	5,486	5,829,821	616,495	(5,719,560)	732,243
Profit for the year	-	-	-	239,994	239,994
Transfer in respect of other appropriations	-	-	217,126	(217,126)	-
At 31 December 2004	5,486	5,829,821	833,622	(5,696,692)	972,237
Profit for the year	-	-	-	583,485	583,485
Transfer in respect of other appropriations (note 6)	-	-	(833,622)	833,622	-
At 31 December 2005	5,486	5,829,821	-	(4,279,585)	1,555,722

15. Other financial commitments

At 31 December 2005 the company had annual commitments under non-cancellable operating leases for land and building as follows:

	<i>2005 £</i>	<i>2004 £</i>
Operating leases which expire:		
In under five years	170,249	146,012