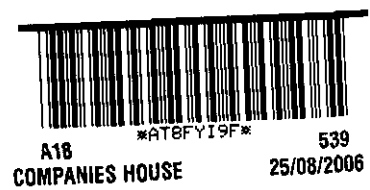


2005

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005
FOR
ALLINITY LIMITED

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ALLINITY LIMITED

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FOR THE YEAR ENDED 30 JUNE 2005

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ALLINITY LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2005

DIRECTORS: A N De Weger
S Lassam
M Cooper
M Lawrence

SECRETARY: A N De Weger

REGISTERED OFFICE: Anglesey House
Farnborough Road
Aldershot
Hampshire
GU11 3BJ

REGISTERED NUMBER: 3628256 (England and Wales)

AUDITORS: Martin and Company
Chartered Accountants
and Registered Auditors
25 St Thomas Street
Winchester
Hampshire
SO23 9DD

BANKERS: The Royal Bank of Scotland
Blackwater Valley Commercial Office
P O Box 39, 5th Floor Abbey House
282 Farnborough Road
Farnborough
Hampshire
GU14 7YU

ALLINITY LIMITED

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 30 JUNE 2005**

The directors present their report with the financial statements of the company for the year ended 30 June 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of computer consultancy.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 July 2004 to the date of this report.

Other changes in directors holding office are as follows:

M Cooper and M Lawrence were appointed as directors after 30th June 2005 but prior to the date of this report.

The beneficial interests of the directors holding office at 30 June 2005 in the shares of the company, according to the register of directors' interests, were as follows:

	30.6.05	1.7.04
Ordinary shares of £1 each		
A N De Weger	-	-
S Lassam	900	700
Preferred ordinary shares of 10p each		
A N De Weger	350	350
S Lassam	180	140

These directors did not hold any non-beneficial interests in any of the shares of the company.

A De Weger is a beneficiary of a trust which holds 2,575 £1 ordinary shares (2004: 2,075) and 165 10p preferred ordinary shares (2004: 65).

STATEMENT OF 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 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;
- 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 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.

AUDITORS

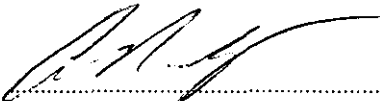
The auditors, Martin and Company, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ALLINITY LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2005

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:



.....
A N De Weger - Director

Date: *6th Jan 2006*

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
ALLINITY LIMITED**

We have audited the financial statements of Allinity Limited for the year ended 30 June 2005 on pages five to twelve. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and 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 on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

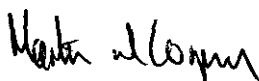
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 30 June 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Martin and Company
Chartered Accountants
and Registered Auditors
25 St Thomas Street
Winchester
Hampshire
SO23 9DD

Date:  9 June 2006

ALLINITY LIMITED**PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 30 JUNE 2005

	Notes	30.6.05 £	30.6.04 £
TURNOVER		2,702,858	2,611,348
Administrative expenses		<u>2,648,172</u>	<u>2,481,067</u>
		54,686	130,281
Other operating income		<u>14,000</u>	<u>20</u>
OPERATING PROFIT	2	68,686	130,301
Interest receivable and similar income		<u>3,585</u>	<u>2,437</u>
		72,271	132,738
Interest payable and similar charges		<u>4,220</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		68,051	132,738
Tax on profit on ordinary activities	3	<u>3,054</u>	<u>34,761</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>64,997</u>	<u>97,977</u>
RETAINED PROFIT FOR THE YEAR		<u>64,997</u>	<u>97,977</u>

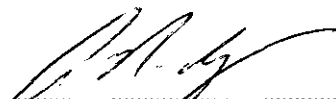
The notes form part of these financial statements

ALLINITY LIMITED**BALANCE SHEET**
30 JUNE 2005

	Notes	30.6.05 £	30.6.04 £
FIXED ASSETS			
Tangible assets	4	20,527	14,836
Investments	5	<u>100</u>	<u>4,919</u>
		20,627	19,755
CURRENT ASSETS			
Work in progress		163,443	38,528
Debtors	6	581,694	462,430
Cash at bank and in hand		<u>52,711</u>	<u>245,864</u>
		797,848	746,822
CREDITORS			
Amounts falling due within one year	7	<u>328,465</u>	<u>410,871</u>
NET CURRENT ASSETS		<u>469,383</u>	<u>335,951</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		490,010	355,706
PROVISIONS FOR LIABILITIES AND CHARGES	9	<u>1,180</u>	<u>3,165</u>
		<u>488,830</u>	<u>352,541</u>
CAPITAL AND RESERVES			
Called up share capital	10	4,616	3,876
Share premium	11	70,552	-
Capital redemption reserve	11	1,224	1,224
Profit and loss account	11	<u>412,438</u>	<u>347,441</u>
SHAREHOLDERS' FUNDS		<u>488,830</u>	<u>352,541</u>

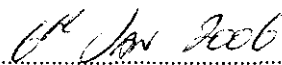
These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:



A N De Weger - Director

Approved by the Board on



The notes form part of these financial statements

ALLINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2005**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 33.33% on cost

Stocks and work in progress

Work in progress is valued at selling price on projects that have been completed but not invoiced at the year end. This policy is adopted to ensure profit is recognised on completed projects in the correct accounting period. The directors consider the policy is necessary in order to give a true and fair view.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed 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 transaction. Exchange differences are taken into account in arriving at the operating result.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Consolidation

The company is part of a small group. The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These accounts therefore present information about the company as an individual undertaking and not about its group.

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	30.6.05	30.6.04
	£	£
Depreciation - owned assets	13,622	15,021
Loss/(Profit) on disposal of fixed assets	2,118	(335)
Auditors' remuneration	7,000	5,000
Pension costs	<u>23,220</u>	<u>16,909</u>
 Directors' emoluments and other benefits etc	 <u>177,736</u>	 <u>195,834</u>

ALLINITY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30 JUNE 2005**3. TAXATION****Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	30.6.05	30.6.04
	£	£
Current tax:		
UK corporation tax	5,039	36,386
Deferred tax	(1,985)	(1,625)
Tax on profit on ordinary activities	<u>3,054</u>	<u>34,761</u>

4. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 July 2004	3,998	62,031	66,029
Additions	2,650	20,136	22,786
Disposals	<u>-</u>	<u>(34,446)</u>	<u>(34,446)</u>
At 30 June 2005	<u>6,648</u>	<u>47,721</u>	<u>54,369</u>
DEPRECIATION			
At 1 July 2004	1,006	50,187	51,193
Charge for year	847	12,775	13,622
Eliminated on disposal	<u>-</u>	<u>(30,973)</u>	<u>(30,973)</u>
At 30 June 2005	<u>1,853</u>	<u>31,989</u>	<u>33,842</u>
NET BOOK VALUE			
At 30 June 2005	<u>4,795</u>	<u>15,732</u>	<u>20,527</u>
At 30 June 2004	<u>2,992</u>	<u>11,844</u>	<u>14,836</u>

ALLINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 JUNE 2005

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 July 2004	4,919
Impairments	(4,819)
At 30 June 2005	<u>100</u>
NET BOOK VALUE	
At 30 June 2005	<u>100</u>
At 30 June 2004	<u>4,919</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

Divergent Holdings Limited

Nature of business: Computer consultants

	% holding		
Class of shares:			
Ordinary £1 shares	100.00	30.6.05	30.6.04
		£	£
Aggregate capital and reserves		7,745	3,235
Profit for the year		<u>4,510</u>	<u>3,135</u>

Vermillion Recruitment Limited

Nature of business: Recruitment consultants

	% holding	
Class of shares:		
Ordinary £1 shares	100.00	
(Held by Divergent Holdings)		
		30.6.05
		£
Aggregate capital and reserves		(53,044)
Loss for the year		<u>(53,144)</u>

The impairment relates to a wholly owned subsidiary, Congruent Europe SARL, a company incorporated in France, which is now considered to have no value.

ALLINITY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30 JUNE 2005

6.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	30.6.05	30.6.04
		£	£
	Trade debtors	548,573	438,036
	Amounts owed by group undertakings	3,308	5,331
	Other debtors	29,813	19,063
		<u>581,694</u>	<u>462,430</u>
7.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	30.6.05	30.6.04
		£	£
	Bank loans and overdrafts	49,509	-
	Trade creditors	39,974	78,222
	Amounts owed to group undertakings	3,191	2,870
	Taxation and social security	155,288	177,645
	Other creditors	80,503	152,134
		<u>328,465</u>	<u>410,871</u>
8.	OPERATING LEASE COMMITMENTS		
	The following operating lease payments are committed to be paid within one year:		
		30.6.05	30.6.04
		£	£
	Expiring:		
	Between one and five years	<u>33,000</u>	<u>-</u>
9.	PROVISIONS FOR LIABILITIES AND CHARGES	30.6.05	30.6.04
		£	£
	Deferred tax	<u>1,180</u>	<u>3,165</u>
			Deferred tax
			£
	Balance at 1 July 2004		3,165
	Accelerated capital allowances		<u>(1,985)</u>
	Balance at 30 June 2005		<u>1,180</u>

ALLINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 JUNE 2005

10. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	30.6.05 £	30.6.04 £
9,900	Ordinary	£1	9,900	9,900
1,000	Preferred ordinary	10p	100	100
			<u>10,000</u>	<u>10,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	30.6.05 £	30.6.04 £
4,525 (30.6.04 - 3,800)	Ordinary	£1	4,525	3,800
905 (30.6.04 - 760)	Preferred ordinary	10p	91	76
			<u>4,616</u>	<u>3,876</u>

Shares were issued during the year as follows:

Cash at par
725 Ordinary shares of £1 for £725

Cash at premium
145 Preferred ordinary shares of 10p for £70567

The preferred ordinary shares and the ordinary shares rank pari passu in all respects with the following exceptions;

1. The Directors may pay dividends on the preferred ordinary shares and the new ordinary shares as if they constituted separate classes of shares.
2. In the event of a winding up of the company or in the event of a sale of the whole of the issued share capital, the holders of the preferred share capital will be entitled to the sum of £1,250 per share. Any remaining assets will be payable only to the holders of the new ordinary shares pro-rata to their holdings.
3. Preferred shareholders are entitled to receive notice, attend and vote at any general meeting of the company. Ordinary shareholders shall not be entitled to receive notice, attend or vote at any general meeting of the company.

ALLINITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 30 JUNE 2005**

11. RESERVES

	Profit and loss account £	Share premium £	Capital redemption reserve £	Totals £
At 1 July 2004	347,441	-	1,224	348,665
Retained profit for the year	64,997	-	-	64,997
Cash share issue	-	70,552	-	70,552
At 30 June 2005	<u>412,438</u>	<u>70,552</u>	<u>1,224</u>	<u>484,214</u>

12. RELATED PARTY DISCLOSURES

During the year, the company paid expenses of £1,527 on behalf of Divergent Holdings Limited, its wholly owned subsidiary. Divergent Holdings Limited charged £1,300 to the company for advertising. At the balance sheet date there was an amount owing to Allinity Limited of £3,308 (2004: £5,331).

During the year, the company entered into transactions with Vermillion Recruitment Limited, a wholly owned subsidiary of Divergent Holdings Limited. The transactions consisted of £208,455 expenses paid on behalf of Vermillion Recruitment Limited and £291,987 billed to Allinity Limited for subcontractor fees. Expense recharges were also made totalling £55,967. At the balance sheet date there was an amount owed by Allinity Limited of £3,191 (2004: £2,870).

At the balance sheet date, there were directors loan account balances in favour of A De Weger Esq of £64,494 (2004: £12,853) and S Lassam Esq of £4,385 (2004: £3,729).

There is a joint personal guarantee in place from A De Weger and S Lassam up to £53,500. There is also a legal charge over A De Weger's private residence amounting to £53,500.

A De Weger is the ultimate controlling party.

ALLINITY LIMITED**PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 30 JUNE 2005

	30.6.05		30.6.04	
	£	£	£	£
Turnover				
Consulting fees	2,666,185		2,587,803	
Helpline fees	12,000		6,000	
Expenses	<u>24,673</u>		<u>17,545</u>	
		2,702,858		2,611,348
Other income				
Sundry receipts	-		20	
Administration charge	14,000		-	
Deposit account interest	<u>3,585</u>		<u>2,437</u>	
		<u>17,585</u>		<u>2,457</u>
		2,720,443		2,613,805
Expenditure				
Directors' salaries	177,618		195,716	
Directors' social security	20,569		26,849	
Wages	1,312,036		1,146,030	
Social security	158,588		133,452	
Pensions	23,220		16,909	
Rent and rates	71,566		46,064	
Insurance	18,091		12,220	
Light, heat and power	1,679		147	
Subcontractors	622,597		572,729	
Telephone	6,559		11,155	
Postage	2,025		118	
Advertising	11,376		11,663	
Travelling and subsistence	136,375		165,270	
Relocation expenses	-		349	
Sundry expenses	13,320		5,390	
Costs re name change	4,507		-	
Carriage and delivery	187		109	
Computer costs	1,595		851	
Office supplies	4,831		4,893	
Subscriptions	1,459		810	
Staff recruitment	-		11,000	
Legal and professional fees	15,354		3,897	
Auditors' remuneration	7,000		5,000	
Auditors' remuneration for non audit work	6,350		4,460	
Entertainment	845		1,283	
Bad debts	-		26,345	
Training	535		5,210	
Exchange rate differences	5,301		49,085	
Conferences	1,299		7,370	
Impairment losses for fixed asset investments	<u>4,819</u>		<u>-</u>	
		<u>2,629,701</u>		<u>2,464,374</u>
Carried forward		90,742		149,431

This page does not form part of the statutory financial statements

ALLINITY LIMITED**PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 30 JUNE 2005

	30.6.05		30.6.04	
	£	£	£	£
Brought forward		90,742		149,431
Finance costs				
Bank charges	2,731		2,007	
Other interest	<u>4,220</u>		<u>-</u>	
		<u>6,951</u>		<u>2,007</u>
		83,791		147,424
Depreciation				
Fixtures and fittings	847		528	
Computer equipment	<u>12,775</u>		<u>14,493</u>	
		<u>13,622</u>		<u>15,021</u>
		70,169		132,403
(Loss)/Profit on disposal of fixed assets				
Computer equipment		<u>(2,118)</u>		<u>335</u>
NET PROFIT		<u><u>68,051</u></u>		<u><u>132,738</u></u>

This page does not form part of the statutory financial statements