



FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2005

COMPANY NUMBER: 04327565

Company registration number: 04327565

Registered office: The Mansion House, Benham Valence, Newbury, Berkshire,
RG20 8LU

Directors: Terry Burt
Samantha Kinstrey
Nicholas Grossman

Secretary: Terry Burt

Bankers: Bank of Scotland
155 Bishopsgate
London
EC2M 3YB

HSBC Bank plc
70 Pall Mall
London
SW1Y 5EZ

Solicitors: DLA
3 Noble Street
London
EC2V 7EE

Auditors: Grant Thornton UK LLP
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

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REPORT OF THE DIRECTORS

2E2 TRAINING LIMITED

Introduction

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

Principal activities

The principal activity of the company is the provision of training services. 2e2 Training Limited is part of the 2e2 Group Limited group of companies. On 7 July 2006 the company changed its name to 2e2 Training Limited.

Business review

The retained profit for the year was £79,140 (2005: loss £91,561). The directors do not recommend the payment of a dividend.

Directors

The present membership of the Board together with their beneficial and other interests in the shares of the Company at the end of the period is set out below.

Ordinary shares of £1 each

Terry Burt	-
Samantha Kinstrey	-
Nick Grossman	-

None of the directors had any interest in the shares of the company at the end of the period. The directors' interests in the shares and loan stock of the ultimate holding company are disclosed in the financial statements of that company.

No director had, during or at the end of the period, a material interest in any contract, which was significant in relation to the company's business.

Directors' responsibilities for the financial statements

United Kingdom 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
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going Concern

The directors, after making appropriate enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

REPORT OF THE DIRECTORS

2E2 TRAINING LIMITED

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Company Act 1985.

ON BEHALF OF THE BOARD

Terry Burt
Director

A handwritten signature in black ink, appearing to be 'Terry Burt', written over a horizontal line.

25 October 2005

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

2E2 TRAINING LIMITED

We have audited the financial statements of 2e2 Training Limited for the year ended 31 December 2005 which comprise the principal accounting policies, the profit and loss account, the balance sheet, and notes 1 to 16. These financial statements have been prepared under 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

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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).

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 other transactions is not disclosed.

We read the Directors' Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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 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.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
London

25 October 2006

2E2 TRAINING LIMITED

PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 December 2005

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards under the historical cost convention and on a going concern basis in view of the continuing financial support being provided by the ultimate parent company, 2e2 Group Limited.

The principal accounting policies of the company are set out below.

The company has taken advantage of the exemption in Financial Reporting Standard 1 from the requirement to produce a cash flow statement on the grounds that its ultimate parent, 2e2 Group Limited, includes the company in its own consolidated financial statements.

RELATED PARTY TRANSACTIONS

The company has taken advantage of FRS 8 'Related Party Disclosures' and has not disclosed transactions within group undertakings.

GOING CONCERN

The financial statements have been prepared on a going concern basis due to the continuing financial support being provided by the ultimate parent company 2e2 Group Limited.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their estimated useful economic lives. The rates generally applicable are:

Computer equipment	3-4 years
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DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

PENSIONS

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable.

2E2 TRAINING LIMITED**PROFIT AND LOSS ACCOUNT**For the year ended 31 December 2005

	Note	Year ended 31 December 2005	Year ended 31 December 2004
Turnover	1	1,103,134	782,658
Cost of sales		(561,732)	(460,203)
Gross profit		<u>541,402</u>	<u>322,455</u>
Administration expenses	2	(462,262)	(411,303)
Other income		<u></u>	<u></u>
Operating profit / (loss)		79,140	(88,848)
Net interest and other similar charges	3	-	(2,713)
Profit / (loss) on ordinary activities before taxation	2	<u>79,140</u>	<u>(91,561)</u>
Tax on profit / (loss) on ordinary activities	5	-	-
Profit / (loss) on ordinary activities after taxation retained for the year	11	<u><u>79,140</u></u>	<u><u>(91,561)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations. There are no other recognised gains and losses in the year other than those disclosed in the profit and loss account.

2E2 TRAINING LIMITED**BALANCE SHEET**

As at 31 December 2005

	Note	2005 £	2004 £
Fixed assets			
Tangible assets	6	22,264	39,243
Current assets			
Debtors	7	402,555	231,036
Cash at bank and in hand		-	4,518
		<u>402,555</u>	<u>235,554</u>
Creditors: amounts falling due within one year	8	(446,939)	(376,057)
Net current liabilities		<u>(44,384)</u>	<u>(140,503)</u>
Total assets less current liabilities		<u>(22,120)</u>	<u>(101,260)</u>
Provisions for liabilities and charges	9	(1,838)	(1,838)
Net liabilities		<u>(23,958)</u>	<u>(103,098)</u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	(24,058)	(103,198)
Shareholders' deficit	12	<u>(23,958)</u>	<u>(103,098)</u>

The financial statements were approved by the Board of Directors on 25 October 2006.

Terry Burt
Director



2E2 TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

1 TURNOVER

Turnover is wholly attributable to the provision of training services and is all generated within the United Kingdom.

2 PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit / (loss) on ordinary activities before taxation is stated after charging:

	2005	2004
Auditors' remuneration:		
Audit services	2,700	2,700
Non-audit services	1,000	1,000
Operating lease rentals:		
Plant and machinery	-	-
Other assets	121,128	121,128
Depreciation of tangible assets	<u>22,079</u>	<u>19,672</u>

3 NET INTEREST AND OTHER SIMILAR CHARGES

	2005	2004
Other interest payable	<u>-</u>	<u>2,713</u>

4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2005 £	2004 £
Wages and salaries	220,424	270,343
Social security costs	20,804	25,754
Other pension costs	<u>6,129</u>	<u>7,949</u>
	<u>247,357</u>	<u>304,046</u>

The average number of employees of the company during the year was as follows:

	2005 Number	2004 Number
Management and administration	3	4
Sales and marketing	1	2
Operations	<u>4</u>	<u>4</u>
	<u>8</u>	<u>10</u>

2E2 TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

Remuneration in respect of directors was as follows:

	2005 £	2004 £
Emoluments	<u>63,426</u>	<u>63,374</u>

5 TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

	2005 £	2004 £
United Kingdom corporation tax	-	-
Origination and reversal of timing differences	-	-
Tax on profit / (loss) on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting the tax charge for the year:

	2005 £	2004 £
Profit / (loss) on ordinary activities before tax	<u>79,140</u>	<u>(91,761)</u>
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005: 30%)	23,742	(27,528)
<i>Effect of:</i>		
Expenses not deductible for tax purposes	419	268
Group relief	(31,547)	21,358
Capital allowances for the period in excess of depreciation	<u>7,386</u>	<u>5,902</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

6 TANGIBLE FIXED ASSETS

Company	Computer equipment £
Cost	
At 1 January 2005	69,918
Additions	<u>5,100</u>
At 31 December 2005	75,018
Depreciation	
At 1 January 2005	30,675
Charge for the year	<u>22,079</u>
At 31 December 2005	52,754
Net book value	
At 31 December 2005	<u>22,264</u>
At 31 December 2004	<u>39,243</u>

2E2 TRAINING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2005

7 DEBTORS

	2005 £	2004 £
Trade debtors	228,568	154,511
Other debtors	6,456	6,415
Prepayments and accrued income	57,850	58,785
Owed by group Companies	109,681	11,325
	<u>402,555</u>	<u>231,036</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Bank Overdraft	75,822	-
Trade creditors	53,157	90,460
Amounts owed to group companies	248,842	228,984
Tax and social security	41,521	24,836
Other creditors and accruals	27,597	31,777
	<u>446,939</u>	<u>376,057</u>

9 PROVISIONS FOR LIABILITIES AND CHARGES

	2005 £	2004 £
Deferred taxation liability	1,838	1,838
	<u>1,838</u>	<u>1,838</u>

10 SHARE CAPITAL

	2005 £	2004 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

11 PROFIT AND LOSS ACCOUNT

	£
At 1 January 2005	(103,198)
Retained profit for the year	79,140
At 31 December 2005	<u>(24,058)</u>

2E2 TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2005 £
At 1 January 2005	(103,098)
Profit for the financial year	79,140
Shareholders' deficit at 31 December 2005	<u>(23,958)</u>

13 CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2005.

14 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2005.

The company has entered into a cross guarantee in conjunction with its parent company, 2e2 Holdings Limited, and other members of the 2e2 Group, in favour of the Group's bankers in respect of the borrowings of the Group.

15 LEASING COMMITMENTS

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

	Land and buildings 2005 £	2004 £
Between two and five years	<u>104,000</u>	<u>104,000</u>

16 ULTIMATE HOLDING COMPANY

The company's ultimate holding company is 2e2 Holdings Limited, a company incorporated in the United Kingdom.