

THE PEOPLE ACADEMY LIMITED

(Company No: SC278313)

FINANCIAL STATEMENTS

31 JANUARY 2006



**THE PEOPLE ACADEMY LIMITED
REPORT OF THE DIRECTOR
FOR THE PERIOD ENDED 31 JANUARY 2006**

The director presents his first report together with the unaudited financial statements for the period ended 31 January 2006

Principal Activity

The principal activity of the company is the provision of consultancy services

Business review

The company was incorporated on 12 January 2005 and started trading from that date. The results for the period are shown in the profit and loss account on page 3. The director recommends the payment of dividends of £53,000 for the period.

Director and his Interest

The Director of the company during the period and his disclosable interest in the ordinary share capital of the company at the end of the period was as follows

2005

Christopher Preston
Susan Hetrick

1

Director's Responsibilities

Company law requires the directors to prepare accounts 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 year. In preparing those accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts,
- prepare the accounts 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 accounts 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.

Small company exemptions

In preparing the director's report the director has taken advantage of exemptions conferred by Part VII to the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a small company.

By Order of the Board

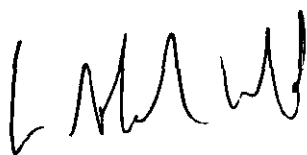


Christopher Preston
Director
5 December 2006

Registered Office
The Executive Centre
79 North St David Street
Edinburgh
EH2 1AW

**ACCOUNTANTS REPORT TO THE DIRECTOR
ON THE UNAUDITED ACCOUNTS OF
THE PEOPLE ACADEMY LIMITED**

As described on the balance sheet you are responsible for the preparation of the accounts for the period ended 31 January 2006 set out on pages 3 to 7 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



SMS ABACUS & CO LTD
Chartered Accountants

Rowlandson House
289 293 Ballards Lane
London N12 8NP

5 December 2006

THE PEOPLE ACADEMY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 JANUARY 2006

	Notes	2006 £
Turnover	1	80,038
Administration expenses		(11,830)
Operating profit		<u>68,208</u>
Bank and other interest receivable		291
Profit on ordinary activities before taxation	2	<u>68,499</u>
Taxation	3	(12,891)
Profit on ordinary activities after taxation		<u>55,608</u>
Dividends		(53,000)
Retained profit for the year taken to reserves		<u>2,608</u>

Continuing Operations

Results on ordinary activities are derived wholly from continuing operations

Total Recognised Gains and Losses

The company has no recognised gains or losses other than the result for the year

Note of historical cost profits and losses

The difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis is not material

THE PEOPLE ACADEMY LIMITED
BALANCE SHEET AS AT 31 JANUARY 2006

	Notes	2006 £
FIXED ASSETS		
Tangible fixed assets	4	1,950
CURRENT ASSETS		
Debtors	5	150
Cash at bank		26,031
		<u>26,181</u>
CREDITORS		
Amounts falling due within one year	6	(25,522)
Net current assets		<u>659</u>
Net assets		<u><u>2,609</u></u>
CAPITAL AND RESERVES		
Called up share capital	7	1
Profit and loss account	8	2,608
Equity shareholder's funds	9	<u><u>2,609</u></u>

For the financial period ended 31 January 2006, the company was entitled to exemption from audit under section 249A(1) Companies Act 1985, and no notice has been deposited under section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the period and of its profit for the financial period in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the company.

The director has taken advantage of special exemptions conferred by Part VII to the Companies Act 1985 applicable to small companies in the preparation of the accounts and has done so on the grounds that, in their opinion, the company qualifies as a small company.

These accounts were approved by the board of directors on 5 December 2006 and signed on its behalf by



Christopher Preston
Director

THE PEOPLE ACADEMY LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 JANUARY 2006

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost accounting convention

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement on the grounds that it is a small company

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is provided in accordance with FRS 19. Deferred tax assets are only recognised to the extent that they are recoverable.

Depreciation

Tangible fixed assets are written off over its estimated useful life at 25% per annum

Turnover

Turnover is derived from the provision of consultancy services (net of VAT)

2 PROFIT ON ORDINARY ACTIVITIES

This is stated after charging

	2006
	£
Depreciation	<u>650</u>

3 TAXATION

	2006
	£
Corporation tax	<u>12,891</u>
Factors affecting the tax charge for the period	
Profit per accounts	<u>68,499</u>
Corporation tax at 19% (2005 19%)	13,015
Effect of	
Disallowable expenses	123
Capital allowances	(247)
	<u>12,891</u>

THE PEOPLE ACADEMY LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 JANUARY 2006

4 FIXED ASSETS

	2006 Equipment, fixtures and fittings
<i>Cost</i>	£
Additions	2,600
At the end of the year	<u>2,600</u>
<i>Depreciation</i>	
Charge for the year	650
At the end of the year	<u>650</u>
Net book value as at 31 January 2006	<u>1,950</u>

5 DEBTORS

<i>Due within one year</i>	2006
	£
Other debtors	<u>150</u>

6 CREDITORS DUE WITHIN ONE YEAR

	2006
	£
Corporation tax	12,891
Director's current account	11,331
Other creditors and accruals	1,300
	<u>25,522</u>

7 SHARE CAPITAL

	2006
	£
<i>Authorised</i>	
1,000 Ordinary £1 shares	<u>1,000</u>
<i>Issued and fully paid</i>	
1 Ordinary £1 share	<u>1</u>

THE PEOPLE ACADEMY LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 JANUARY 2006

8 PROFIT AND LOSS ACCOUNT

	2006 £
Profit and loss account brought forward	
Profit for the period	55,608
Dividends paid	(53,000)
Profit and loss account carried forward	<u>2,608</u>

9 EQUITY SHAREHOLDER'S FUNDS

	2006 £
Opening shareholder's funds	
Ordinary share capital issued	1
Profit for the period	55,608
Dividends paid	(53,000)
Closing shareholder's funds	<u>2,609</u>