IPKO Institute

(previously known as IPKO.org)

Financial Statements as at 31 December 2005

(with independent auditor's report thereon)

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Independent Auditors' Report

To the shareholders of
IPKO Institute

We have audited the accompanying balance sheet of IPKO Institute ("the Institute") as of 31 December 2005, and the related statements of income, changes in equity and cash flows for the year then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position of the Institute as of 31 December 2005, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG Albania Sh.p.k.

KPMG Albania Sh.p.k.

7 June 2006

Prishtina

IPKO Institute

Statement of income and expenditures for the year ended 31 December 2005 and 2004

(in EUR '000)

	Note	2005	2004
Revenue	2	280	357
Personnel expenses	3	(108)	(129)
Depreciation	6	(89)	(84)
Other operating expenses	4	(829)	(323)
Loss from operations		(746)	(179)
Share of profit/(loss) from associate	7	183	(76)
Net financing income		36	31
Loss for the year		**(527)**	**(224)**

The statement of income and expenditures is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 1 to 17.

These financial statements have been approved by the management of IPKO Institute on 7 June 2006 and signed on its behalf by:

Samuel Johnson
Executive Director

Arberesha Tuhina
Head of Finance and Administration

IPKO Institute

Balance sheet as at 31 December 2005

(in EUR '000)

	Notes	31 December 2005	31 December 2004
Assets			
Property and equipment	6	88	175
Investment in associate	7	303	120
Loan to associate	8	60	485
Total non-current assets		**451**	**780**
Loan to associate	8	60	211
Prepayment for services due from associate	9	-	23
Other receivables	10	15	6
Cash and cash equivalents	11	24	30
Total current assets		**99**	**270**
Total assets		**550**	**1,050**
Accumulated profit and liabilities			
Accumulated profit	12	**287**	**814**
Deferred income	13	222	227
Trade and other payables	14	41	9
Total current liabilities		**263**	**236**
Total accumulated profit and liabilities		**550**	**1,050**

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 1 to 17.

IPKO Institute

Statement of cash flows for the year ended 31 December 2005

(in EUR '000)

	Note	31 December 2005	31 December 2004
Operating activities			
Loss for the year		(527)	(224)
Depreciation		89	84
Share in (profit)/loss from associate		(183)	76
Operating cash flows before changes in working capital:		*(621)*	*(64)*
(Increase) in other receivables		(9)	(5)
(Decrease)/increase in deferred income		(5)	29
Increase in trade and other payables		32	4
Decrease/(increase) in loan to associate		576	(31)
Decrease in prepayment for services due from associate		23	93
Cash flows from operating activities		**(4)**	**26**
Investing activities			
Acquisition of equipment		(2)	(47)
Cash flows used in investing activities		**(2)**	**(47)**
Net decrease in cash and cash equivalents		(6)	(21)
Cash and cash equivalents at 1 January		30	51
Cash and cash equivalents at 31 December	**11**	**24**	**30**

The cash flow is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 1 to 17.

Significant Accounting Policies

IPKO Institute (the "Institute") is a not for profit organisation domiciled in Kosovo providing IT training and Management courses which upon the decision of the Board of Directors changed its name from IPKO.Org on 27 July 2004. The Institute also provides-ISP services through its associate, IPKO.net ("the Associate") and in this capacity provided its services free of charge to a number of non-government organisations.

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board (IASB) and with interpretations issued by the International Financial Reporting Interpretations Committee of the IASB.

(b) Basis of preparation

The financial statements are presented in EURO ("EUR"), the functional currency within the Territory of Kosovo, rounded to the nearest thousand. They are prepared on the historical cost basis.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are disclosed in note 18.

In the current year, the Institute has adopted all of the new and revised Standards and Interpretations issued by the IASB and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2005. The adoption of these new revised Standards and Interpretations did not result in changes to the Institute's accounting policies.

The accounting policies are consistent with those used in the previous years.

Significant Accounting Policies (continued)

(b) Basis of preparation (continued)

At the date of authorisation of these financial statements, the following new Standards and Interpretations and amendments to the Standards were in issue but not yet effective and have not been applied in preparing these financial statements:

• *IFRS 6 Exploration for and Evaluation of Mineral resources.* The standard includes a requirement to distinguish between tangible and intangible assets that are used in the exploration for and evaluation of mineral resources, and specifies the level at which impairment testing should be carried out. The Institute does not have any operations that would be affected by the new Standard.

• *IFRS 7 Financial Instruments: Disclosures* (effective for annual periods beginning on or after 1 January 2007). The Standard will require increased disclosure in respect of the Institute's financial instruments. Management will apply IFRS 7 from annual periods beginning 1 January 2007.

• IFRIC 3 Emission Rights. The Interpretation deals with the accounting by a participant for a cap and trade scheme that is operational. The Institute does not have any operations that would be affected by the new Standard.

• IFRIC 4 *Determining whether an Arrangement contains a Lease* (effective from 1 January 2006)

The Interpretation requires certain arrangements to be accounted for as a lease even if they are not in the legal form of a lease. The Institute has not yet completed its analysis of the impact of the new Interpretation.

IFRIC 5 Rights to interests arising from Decommissioning, restoration and Environmental Rehabilitation Funds. The Interpretation deals with funds created for the purpose of settling decommissioning and similar expenses. The Interpretation is not relevant to the Institute's operations.

IFRIC 6 Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment. The Interpretation deals with obligations arising from the European Union Directive regulating the collection, treatment, recovery and environmentally sound disposal of waste equipment. The Interpretation is not relevant to the Institute's operations.

IFRIC 7 Applying the Restatement Approach under IAS 29 *Financial Reporting in Hyperinflationary Economies*. The Interpretation contains guidance on how an entity would restate its financial statements pursuant to IAS 29 in the first year it identifies the existence of hyperinflation in the economy of its functional currency. The Interpretation is not relevant to the Institute's operations.

IFRIC 8 Scope of IFRS 2. The Interpretation clarifies that the accounting standard IFRS 2 *Share-based Payment* applies to arrangements where an entity makes share-based payments for apparently nil or inadequate consideration. The Interpretation is not relevant to the Institute's operations.

IFRIC 9 Reassessment of Embedded Derivatives. The Interpretation clarifies that the treatment of an embedded derivative is assessed by the entity when the entity first becomes a party to the contract, and that reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract. The Institute has not yet completed its analysis of the impact of the new Interpretation.

Significant Accounting Policies (continued)

(b) Basis of preparation (continued)

• Amendment to IAS 1 *Presentation of Financial Statements – Capital Disclosures* (effective from 1 January 2007)

As a complementary amendment arising from the new IFRS 7 *Financial Instruments: Disclosure* (effective from 1 January 2007), this amendment will require significantly more disclosures regarding the capital structure of IPKO. Net. The Institute will apply this amendment from 1 January 2007.

Amendment to IAS 19 Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures. The amendment includes an option for actuarial gains and losses to be recognised in full as they arise, outside of the income statement in a statement of recognised income and expense. The Institute does not have any employee benefit plans that will be affected by the amendment.

Amendment to IAS 39 Financial Instruments: Recognition and Measurement – Cash Flow Hedge Accounting of Forecast Intragroup Transactions. The amendment allows the foreign currency risk of a highly probable forecast intragroup transaction to qualify as a hedged item if certain criteria are met. This amendment is not relevant to the Institute's operations, as the Institute does not have any intragroup transactions that would qualify as a hedged item in the financial statements.

Amendment to IAS 39 Financial Instruments: Recognition and Measurement – The Fair Value Option. The amendment restricts the designation of financial instruments as "at fair value through profit or loss". The Institute believes that this amendment should not have a significant impact on the classification of financial instruments, as the Institute should be able to comply with the amended criteria for the designation of financial instruments at fair value through profit or loss.

Amendment to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 4 Insurance Contracts – Financial Guarantee Contracts. The amendment requires guarantees that are not insurance contracts to be measured at fair value upon initial recognition. The Institute has not issued any guarantees that will be affected by the amendment.

Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation. The amendment clarifies in which circumstances a loan may form part of a reporting entity's net investment in a foreign operation, and the currency in which such an item may be denominated. The Institute currently has no items comprising net investments in foreign operations that will be affected by the amendment.

(c) Basis of accounting for investment in associate

(i) Associates

Associates are those entities in which the Institute has significant influence, but not control, over the financial and operating policies. The financial statements include the Institute's share of the total recognised gains and losses of associates on an equity accounted basis from the date that significant influence commences until the date that significant influence ceases. When the Institute's share of losses exceeds its interest in an associate, the Institute's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Institute has incurred legal or constructive obligations or made payments on behalf of an associate.

(Amounts in EUR'000, unless otherwise stated)

Significant Accounting Policies (continued)

(c) Basis of accounting for investment in associate (continued)

(ii) Transactions eliminated

Unrealised gains arising from transactions with the associate are eliminated to the extent of the Institute's interest in the enterprise. Unrealised gains arising from transactions with associate are eliminated against the investment in the associate. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(d) Foreign currency transactions

Transactions in foreign currencies are translated to EUR at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to EUR at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income and expenditures. Non-monetary assets and liabilities denominated in foreign currencies are translated to EUR at the foreign exchange rates ruling at the dates the values were determined.

The applicable exchange rates for the principal currencies as at 31 December 2005 and 2004 are as follows:

	2005	**2004**
USD	1.183	1.364
GBP	1.453	1.412

(e) Property and equipment

(i) Owned assets

Items of property and equipment are stated at cost less accumulated depreciation and impairment, if any (refer to accounting policy i).

(ii) Depreciation

Depreciation is charged to the statement of income and expenditures on a straight-line basis over the estimated useful lives of items of property and equipment, and major components that are accounted for separately. The estimated useful lives are as follows:

	To 31 August 2001	From 1 September 2001
▪ leasehold equipment	3 years	5 years
▪ equipment	3 years	5 years
▪ fixtures and fittings	3 years	5 years

The change in the depreciation rates was to reflect the actual usage of the assets in conformity with non-for profit activities

Significant Accounting Policies (continued)

(f) Interest bearing loan to associate

Interest-bearing loan to the associate is classified as an originated loan. Originated loans are reported at amortised cost net of allowances to reflect the estimated recoverable amounts.

Allowances are made against the carrying amount of loans that are identified as being impaired based on regular reviews of outstanding balances to reduce these loans and advances to their recoverable amounts.

(g) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses (refer to accounting policy i).

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Institute's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(i) Impairment

The carrying amounts of the Institute's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

(i) Calculation of recoverable amount

The recoverable amount of the Institute's receivables carried at amortized cost is calculated as the present value of expected future cash flows discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(j) Trade and other payables

Trade and other payables are measured at amortised cost.

Significant Accounting Policies (continued)

(k) Revenue

(i) Grants

Grants are recognised in the balance sheet initially as deferred revenue when there is reasonable assurance that they will be received and that the Institute will comply with the conditions attaching to them. Grants that compensate the Institute for expenses incurred are recognised as revenue in the statement of income and expenditures on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Institute for the cost of an asset are recognised in the statement of income and expenditures as revenue on a systematic basis over the useful life of the asset.

(ii) Tuition fees

Tuition fees are recognised in the balance sheet initially as deferred revenue when there is reasonable assurance that they will be received and are recognised as revenue in the statement of income and expenditures on a systematic basis in the same periods in which the courses are held.

(l) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the statement of income and expenditures on a straight-line basis over the term of the lease.

(ii) Net financing income

Net financing income comprises interest receivable on borrowings calculated using the effective interest rate method, interest receivable on funds invested and foreign exchange gains and losses.

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

(m) Employee benefits

(i) Compulsory social security contributions

The Institute makes only compulsory social security contributions that provide pension benefits for employees upon retirement. The United Nation Mission in Kosovo is responsible for providing the legally set minimum threshold for pensions in Kosovo under a defined contribution pension plan. The Institute's contributions to the benefit pension plan are charged to the income statement as incurred.

(ii) Paid annual leave

The Institute recognises as a liability the undiscounted amount of the estimated costs related to annual leave expected to be paid in exchange of the employee's service for the period completed.

Significant Accounting Policies (continued)

(n) Income tax

As a not-for-profit organisation IPKO Institute is exempt from income taxes. In Kosovo, an NGO registered under the present regulation may apply for public benefit status and exemption from income tax. The Institute received such status in December 2001 and is applicable to all activities that have been registered with UNMIK in 15 December 1999.

Additionally, in accordance with the provisions of regulation number 2001/11 of UNMIK, all imports, inflows within the former Federal Republic of Yugoslavia (or "FRY") or supplies funded from the proceeds of the grants made to UNMIK or the Administrative Departments of the Joint Interim Administration Structure by governments, government agencies, governmental or non-governmental organizations in support of humanitarian and reconstruction programs and projects in Kosovo are exempt from VAT. The activities of the Institute are exempt from VAT.

(o) Segment reporting

A segment is a distinguishable component of the Institute that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Notes to the financial statements:

(Amounts in EUR'000, unless otherwise stated)

1. Segment reporting

Following the disposal of the internet service business unit on 1 September 2001 to IPKO.net LLC, the Institute operates in a single segment, providing IT training management courses, and in one geographical location, Kosovo.

2. Revenue

	2005	2004
Grants	170	140
Tuition fees	97	184
Other	13	33
	280	**357**

3. Personnel expenses

	2005	2004
Wages and salaries	97	96
Per diems	6	13
Trainers	5	20
	108	**129**

The average number of employees during the year ended 31 December 2005 was 13 (2004:12).

4. Other operating expenses

	2005	2004
Derecognition of loan (refer to note 8)	538	
Administrative services (refer to note 9)	23	93
Advisory, legal and audit fees	89	78
Occupancy costs	77	60
Travel and entertainment	36	44
Marketing and advertising	22	15
Telephone, postage and shipping	9	6
Office supplies	8	15
Insurance fees, bank charges	3	3
Other	24	9
	829	**323**

(Amounts in EUR'000, unless otherwise stated)

5. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	31 December 2005	31 December 2004
Less than one year	61	46
Between one and five years	-	3
	61	**49**

The Institute leases its training facilities under an operating lease, which runs for an initial period of five years, with an option to renew the lease after that date. During the year ended 31 December 2005 EUR 76 thousand was recognised as an expense in the statement of income and expenditures in respect of operating leases (2004: EUR 60 thousand).

6. Property and equipment

Property and equipment consisted of the following:

	Leasehold improvements	*Equipment*	*Fixtures and fittings*	*Advances for equipment*	*Total*
Cost					
At 1 January 2004	188	208	23	-	419
Additions	-	4	-	43	47
At 1 January 2005	188	212	23	43	466
Additions	-	45	-	(43)	2
At 31 December 2005	188	257	23	-	468
Accumulated depreciation					
At 1 January 2004	(108)	(87)	(12)	-	(207)
Charge of the year	(38)	(41)	(5)	-	(84)
At 1 January 2005	(146)	(128)	(17)	-	(291)
Charge for the year	(38)	(48)	(3)	-	(89)
At 31 December 2005	(184)	(176)	(20)	-	(380)
Net carrying amount					
At 1 January 2004	**80**	**121**	**11**	**-**	**212**
At 1 January 2005	**42**	**84**	**6**	**43**	**175**
At 31 December 2005	**4**	**81**	**3**	**-**	**88**

(Amounts in EUR'000, unless otherwise stated)

7. Investment in associate

As stated in note 1 above, as a result of the disposal of the Internet service division during 2001, the Institute acquired 48.9% of the voting shares of IPKO.net LLC, which had an attributed value of EUR 277 thousand. On 4 January 2004 the Board of Directors of IPKO.net decided to allow for a single class of Common Stock and convert all standing shares of class A and class B Common Stock to voting Common Stock. Furthermore the Board decided to allocate the remaining 4,888,000 shares with a par value of EUR 0.00051 each to the existing and new shareholders adjusting IPKO Institute's share capital from 48.9% to 26.41%.

The carrying value of the investment for the years 2005 and 2004 is as follows:

	31 December 2005	31 December 2004
At the beginning of the year	120	196
Effect of change in share capital participation	-	(236)
Share in profit of associate	183	160
Net share of profit/(loss) from associate	183	(76)
At the end of the year	**303**	**120**

8. Loan to associate

Current portion

	31 December 2005	31 December 2004
Loan to associate	60	80
Accrued interest due from associate	-	131
	60	**211**

Non-current portion

	31 December 2005	31 December 2004
Loan to associate	60	485
	60	**485**

The loan to the associate was payable after 1 September 2004 in equal monthly instalments for a period up to 1 August 2006 and is subject to interest at 7% per annum. The accrued interest is also payable after 1 September 2004 as it is currently capitalised to the principal on a monthly basis. During 2004 the Company found it had erroneously calculated the interest accrued in prior periods. The impact of Euro 7 thousand, had it been booked in prior years, would have reduced the accumulated profit and decreased the accrued interest due from associates.

On 25 February 2006 the Board of Directors of IPKO Institute agreed to restructure such loan and apply the change retroactively by making a grant to the IPKO.Net LLC for purchase of property and equipment, whereas the Institute is going to make a donation of services to third parties to implement the Institute's Schools Online Program through provision of free internet to local educational institutions. The Institute and IPKO.Net LLC in consideration of mutual covenants and conditions set forth in the loan restructuring agreement have agreed that EUR 120 thousand out of EUR 658 thousand will be paid in 24 monthly instalments of EUR 5 thousand starting from January 2006 and accounted as non interest bearing medium term loan.

(Amounts in EUR'000, unless otherwise stated)

8. Loan to associate (continued)

The remaining amount of EUR 538 thousand was granted to IPKO.Net LLC to be used for purchase of property and equipment and recognised as an expense (refer to note 4).

9. Prepaid services due from associate

Prepaid services due from associate represent administrative services for a period of five years to be provided by IPKO.net to IPKO Institute. This arrangement was agreed upon at the time of the disposal of the Internet business unit, as explained in note 1. During 2005, prepaid services decreased by EUR 23 thousand (2004: EUR 93 thousand). Also refer to note 4.

10. Other receivables

	31 December 2005	31 December 2004
Sundry debtors	15	4
Other	-	2
	15	**6**

11. Cash and cash equivalents

	31 December 2005	31 December 2004
Cash on hand	-	2
Cash at bank	24	28
Cash and cash equivalents at cash flow statement	**24**	**30**

12. Accumulated profit

Reconciliation in movement in accumulated profit

	31 December 2005	31 December 2004
As at 1 January	814	1,038
Loss for the year	(527)	(224)
As at 31 December 2005	**287**	**814**

13. Deferred income

	31 December 2005	31 December 2004
Grants	120	204
Tuitions fees received for training courses yet to be provided	102	23
	222	**227**

14. Trade and other payables

	31 December 2005	31 December 2004
Other trade payables	41	9
	41	**9**

15. Related parties

Identity of related parties

The Institute has a related party relationship with its associate (refer to notes 7, 8 and 9) and with its directors. Payments were made during the year to directors and executive officers includes executive director remuneration amounting Euro 23 thousand. (2004: Euro 33 thousand).

16. Financial Instruments

Credit risk

At the balance sheet date the significant concentrations of credit risk consist primarily of the relationship with its associate described in notes 7, 8 and 9. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

The receivables credit risk is controlled through credit approvals, credit limits, monitoring procedures and establishing allowances for impairment.

Interest rate risk

In managing interest rate risks the Institute aims to reduce the impact of short-term fluctuations on the Institute's earnings over the longer-term. However, permanent changes in interest rates would have an impact on consolidated earnings.

Foreign exchange risk

The Institute is exposed to foreign currency risk on donations and expenditures that are denominated in a currency other than the euro. The currencies giving rise to this risk is primarily U.S. Dollars.

In respect of other monetary assets and liabilities held in currencies other than the euro, the Institute ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

Fair values

In general, the Institute's balance sheet financial instruments have an estimated fair value approximately equal to their book value due to either their short-term nature or underlying interest rates, which approximate market rates.

Trade and other receivables/ payables

All Institute receivables/payables have a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

Interest-bearing loans

Fair value is calculated based on discounted expected future principal and interest cash flows.

17. Commitments and contingencies

Commitments

At 31 December 2005, the Institute does not have any commitment.

Contingencies

The Institute has not been involved in any legal proceedings in the ordinary course of business.

18. Accounting estimates and judgements

Management discussed in their regular meetings the development, selection and disclosure of the Institute's critical accounting policies and estimates and the application of these policies and estimates.

The Institutes makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.