

ENG/WALES

**Company Registration No. 01231037**

**Atlas Interactive Limited**

**Report and Financial Statements**

**for the year ended 30 September 2008**



# **Atlas Interactive Limited**

## **Report and financial statements 2008**

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# **Atlas Interactive Limited**

## **Report and financial statements 2008**

### **Officers and professional advisers**

#### **Directors**

J R F Bennett  
T F Love  
J McCann  
H Van Der Vossen

#### **Secretary**

J McCann

#### **Registered office**

Royal London House  
22-25 Finsbury Square  
London  
EC2A 1DX

#### **Bankers**

Lloyds TSB Scotland  
1<sup>st</sup> Floor, Corporate Banking  
4/5 Union Terrace  
Aberdeen  
AB10 1NJ

Bank of Scotland  
3-5 Albyn Place  
Aberdeen  
AB10 1XL

#### **Solicitors**

Dickson Minto W.S.  
16 Charlotte Square  
Edinburgh  
EH2 4DF

#### **Independent Auditors**

Deloitte LLP  
Aberdeen

# Atlas Interactive Limited

## Directors' report

The directors present their report together with the financial statements and auditors' report, for the year ended 30 September 2008.

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

### Principal activities

The principal activity of the company is the development and marketing of E-Learning to the oil and gas industry.

The company is a subsidiary of a group that is financed through a combination of bank term loans, shareholder loan notes and equity share capital, in addition to the cash flow that the group generates from its principal trading activities. The group's bank term loans are structured to amortise over a series of repayments through to 30 September 2014 and 30 November 2015. They are subject to a number of financial covenants, measured quarterly, that are linked to the underlying trading performance and cash flow generation of the group.

The current economic conditions create uncertainty particularly over a) the level of and timing of demand for the group's E-Learning proposition and b) the continuing availability of bank finance in the foreseeable future.

The directors consider that the group's E-Learning proposition, over traditional classroom based offerings is relevant to their client's objective of reducing cost whilst ensuring ongoing training, learning and development of workers and subcontractors across the sector. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the conditions of the financial covenants attaching to its bank term loan facilities. The directors, therefore, have a reasonable expectation that the group and the company have adequate financial resources to continue in operational existence for the foreseeable future. For these reason, they continue to adopt the going concern basis in preparing the annual reports and financial statements.

### Directors

The directors, who served throughout the year except as noted, were as follows:

J R F Bennett	
J A Clark	(resigned on 28.11.2007)
T F Love	
H Van Der Vossen	
J McCann	(appointed on 28.11.2007)

### Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

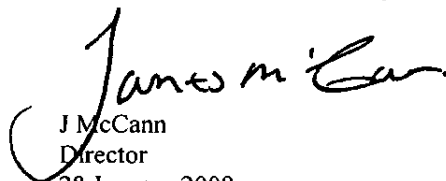
This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

## Atlas Interactive Limited

### Directors' report (continued)

Deloitte LLP were appointed as auditors by the directors during the year. Deloitte LLP has expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

  
J McCann  
Director  
28 January 2009

## **Atlas Interactive Limited**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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; 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 Atlas Interactive Limited**

We have audited the financial statements of Atlas Interactive Limited for the year ended 30 September 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 20. 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 financial statements in accordance with applicable law and United Kingdom 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

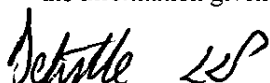
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

### **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 30 September 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies; and
- the information given in the Directors' Report is consistent with the financial statements.



**Deloitte LLP**

Chartered Accountants and Registered Auditors

Aberdeen

United Kingdom

28 January 2009

## Atlas Interactive Limited

### Profit and loss account For the year ended 30 September 2008

	Note	2008 £	2007 £
<b>Turnover</b>	2	5,237,743	5,045,471
Cost of sales		(431,921)	(480,474)
<b>Gross profit</b>		4,805,822	4,564,997
Administrative expenses		(2,937,758)	(2,265,673)
Other operating income		87,691	19,549
<b>Operating profit</b>		1,955,755	2,318,873
Interest receivable and similar income		29,318	5,812
Interest payable and similar charges		(2,581)	(14,474)
<b>Profit on ordinary activities before taxation</b>	3	1,982,492	2,310,211
Tax on profit on ordinary activities	5	(353,169)	(708,092)
<b>Profit for the financial year</b>	14	1,629,323	1,602,119

All of the company's activities relate to continuing operations.

The company has no recognised gains and losses for the current period. Accordingly, no Statement of Total Recognised Gains and Losses has been presented.



# Atlas Interactive Limited

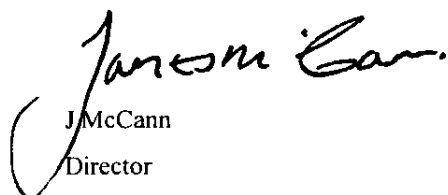
## Balance sheet 30 September 2008

	Note	2008 £	2007 £
<b>Fixed assets</b>			
Intangible assets	7	16,465	30,501
Tangible assets	8	1,548,089	1,345,306
		<u>1,564,554</u>	<u>1,375,807</u>
<b>Current assets</b>			
Stocks	9	-	12,977
Debtors	10	2,241,974	1,641,417
Cash at bank and in hand		1,028,807	152,473
		<u>3,270,781</u>	<u>1,806,867</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(1,291,312)</u>	<u>(1,265,075)</u>
<b>Net current assets</b>		<u>1,979,469</u>	<u>541,792</u>
<b>Total assets less current liabilities</b>		3,544,023	1,917,599
<b>Provisions for liabilities and charges</b>	12	<u>(29,521)</u>	<u>(32,420)</u>
<b>Net assets</b>		<u>3,514,502</u>	<u>1,885,179</u>
<b>Capital and reserves</b>			
Called-up share capital	13	40,000	40,000
Profit and loss account	14	3,474,502	1,845,179
<b>Shareholders' funds</b>	15	<u>3,514,502</u>	<u>1,885,179</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.

The financial statements were approved by the Board of Directors on 28 January 2009.

They were signed on its behalf by:

  
J McCann  
Director

# Atlas Interactive Limited

## Notes to the financial statements Year ended 30 September 2008

### 1. Principal accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention, and in accordance with United Kingdom accounting standards.

The company's business activities, together with the factors likely to affect its future prospects, are discussed in the directors' report on pages 2 and 3. After making enquires, the directors have a reasonable expectation that the company have adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

#### **Cash flow statement**

The company has taken advantage of the exemption within FRS1 "Cash Flow Statements (revised) 1996" and has not prepared a cash flow statement on the grounds that the company is a wholly owned subsidiary of a parent undertaking which produces consolidated financial statements including a consolidated cash flow statement dealing with the cash flows of the company, which are publicly available.

#### **Turnover**

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales-related taxes.

#### **Pension costs**

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### **Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

#### **Leases**

Rentals under operating leases are charged on a straight-line basis over the lease term.

# Atlas Interactive Limited

## Notes to the financial statements (continued) Year ended 30 September 2008

### 1. Principal accounting policies (continued)

#### Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

#### Intangible assets – research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the company is expected to benefit. Provision is made for any impairment.

#### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful life, as follows:

Land and buildings	2% per annum
Computer equipment	33⅓% per annum
Office equipment	15% per annum
Motor vehicles	33% per annum
Property improvements	2% per annum

Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

#### Long-term contracts

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in stock.

#### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

# Atlas Interactive Limited

## Notes to the financial statements (continued) Year ended 30 September 2008

### 2. Turnover

In the year to 30 September 2008, 39% (2007: 26.10%) of the company's turnover was to markets outside the United Kingdom.

### 3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2008 £	2007 £
Amortisation of intangible assets	2,352	86,021
Depreciation of tangible fixed assets – owned	133,284	97,684
Auditors' remuneration for:		
- Audit	22,500	5,000
- Tax compliance	10,750	4,800
- Tax advice	5,000	-
Government grants	-	4,803
Operating lease rentals – other	72,072	114,325
(Gain)/loss on foreign currency exchange	(87,691)	52,078

### 4. Directors' remuneration

	2008 £	2007 £
Emoluments	471,250	202,500

	Number	Number
The number of directors who are members of money purchase pension scheme	2	2

# Atlas Interactive Limited

## Notes to the financial statements (continued) Year ended 30 September 2008

### 5. Tax on profit on ordinary activities

The tax charge comprises:

	2008 £	2007 £
<b>Current tax</b>		
UK corporation tax	349,278	677,615
Foreign tax	-	1,240
	<u>349,278</u>	<u>678,855</u>
Adjustment in respect of prior years		
- UK corporation tax	6,790	6,841
	<u>356,068</u>	<u>685,696</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(14,422)	22,396
Effect of changes in tax rates	12,981	-
Adjustment in respect of prior years	(1,458)	-
	<u>(2,899)</u>	<u>22,396</u>
<b>Total deferred tax (note 12)</b>		
	<u>(2,899)</u>	<u>22,396</u>
<b>Total tax on profit on ordinary activities</b>	<u>353,169</u>	<u>708,092</u>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2008 £	2007 £
<b>Profit on ordinary activities before taxation</b>	<u>1,982,492</u>	<u>2,310,211</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 29% (2007: 30%)	574,923	693,063
Effects of:		
Expenses not deductible for tax purposes	27,264	3,557
Capital allowances in excess of depreciation	(798)	(16,191)
Movement in short term timing differences	154	(4,972)
Group relief claimed	(267,331)	-
Higher tax rates on overseas earnings	15,067	-
Adjustments to tax charge in respect of previous periods	6,789	10,239
	<u>356,068</u>	<u>685,696</u>
<b>Current tax charge for the period</b>	<u>356,068</u>	<u>685,696</u>

# Atlas Interactive Limited

## Notes to the financial statements (continued) Year ended 30 September 2008

### 6. Dividends paid

	2008 £	2007 £
Final dividend for the year ended 30 September 2008 of £nil (2007: £7.25) per ordinary share	-	290,000

### 7. Intangible fixed assets

	Development costs £
<b>Cost</b>	
At 1 October 2007	159,022
Transfer (note 8)	23,521
Amounts written-off	(159,022)
At 30 September 2008	23,521
<b>Amortisation</b>	
At 1 October 2007	128,521
Charge for the year	2,352
Transfer (note 8)	4,704
Amounts written-off	(128,521)
At 30 September 2008	7,056
<b>Net book value</b>	
At 30 September 2008	16,465
At 30 September 2007	30,501

# Atlas Interactive Limited

## Notes to the financial statements (continued) Year ended 30 September 2008

### 8. Tangible fixed assets

	Land and buildings £	Computer equipment £	Office equipment £	Motor vehicles £	Property improve- ments £	Total £
<b>Cost</b>						
At 1 October 2007	1,183,843	807,622	72,295	14,211	-	2,077,971
Additions	-	152,886	30,282	1,107	170,609	354,884
Transfer (note 7)	-	(23,521)	-	-	-	(23,521)
At 30 September 2008	1,183,843	936,987	102,577	15,318	170,609	2,409,334
<b>Depreciation</b>						
At 1 October 2007	7,776	668,066	48,928	7,895	-	732,665
Charge for the year	23,655	92,004	10,637	4,740	2,248	133,284
Transfer (note 7)	-	(4,704)	-	-	-	(4,704)
	31,431	755,366	59,565	12,635	2,248	861,245
<b>Net book value</b>						
At 30 September 2008	1,152,412	181,621	43,012	2,683	168,361	1,548,089
At 30 September 2007	1,176,067	139,556	23,367	6,316	-	1,345,306

### 9. Stocks

	2008 £	2007 £
Long term contract balances	-	12,977

### 10. Debtors

	2008 £	2007 £
Amounts falling due within one year:		
Trade debtors	1,990,473	1,425,400
Amounts recoverable on contracts	-	67,204
Other debtors	38,216	-
Prepayments and accrued income	213,285	148,813
	2,241,974	1,641,417

# Atlas Interactive Limited

## Notes to the financial statements (continued) Year ended 30 September 2008

### 11. Creditors: amounts falling due within one year

	2008 £	2007 £
Payments received on account	-	22,369
Trade creditors	204,518	144,614
Amounts owed to group undertaking	16,511	9,353
Corporation tax	348,752	674,400
Other taxation and social security	161,448	285,727
Other creditors	55,732	128,612
Accruals and deferred income	504,351	-
	<u>1,291,312</u>	<u>1,265,075</u>

### 12. Provisions for liabilities and charges

	Deferred taxation £
At 1 October 2007	32,420
Credited to profit and loss account	(2,899)
At 30 September 2008	<u>29,521</u>

Deferred taxation is provided as follows:

	2008 £	2007 £
Accelerated capital allowances	30,378	33,700
Other timing differences	(857)	(1,280)
	<u>29,521</u>	<u>32,420</u>

### 13. Called-up share capital

	2008 £	2007 £
<b>Authorised</b>		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
<b>Allotted, called up and fully paid</b>		
40,000 ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>



# Atlas Interactive Limited

## Notes to the financial statements (continued) Year ended 30 September 2008

### 14. Reserves

	Profit and loss account £
At 1 October 2007	1,845,179
Profit for the financial year	1,629,323
	<hr/>
At 30 September 2008	3,474,502
	<hr/>

### 15. Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	1,629,323	1,602,119
Dividends	-	(290,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	1,629,323	1,312,119
Opening shareholders' funds	1,885,179	573,060
	<hr/>	<hr/>
Closing shareholders' funds	3,474,502	1,885,179
	<hr/>	<hr/>

### 16. Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings	
	2008 £	2007 £
Expiry date:		
- within one year	24,625	24,625
- between two and five years	24,625	49,250
	<hr/>	<hr/>
	49,250	73,875
	<hr/>	<hr/>

### 17. Pension arrangements

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £35,025 (2007: £27,254). Contributions totalling £3,060 (2007: 4,265) were payable to the fund at the year end and are included in creditors.

## **Atlas Interactive Limited**

### **Notes to the financial statements (continued)** **Year ended 30 September 2008**

**18. Contingent liabilities**

The company is a party to a cross guarantee arrangement with certain other group companies in respect of bank borrowings. Total bank borrowings of the group as at 30 September 2008 were £11,250,000 (2007: £nil).

**19. Related party transactions**

The company has taken advantage of the exemption contained in Financial Reporting Standard 8 section 3(c) and has not disclosed transactions or balances with entities which form part of the group.

**20. Parent undertaking**

The immediate parent company is Petrolearn Limited, a company incorporated in Scotland. On 28 November 2007, the entire issued share capital of Petrolearn Limited was acquired by Atlas Energy Investment Limited. The financial statements of this entity are included in the consolidated financial statements of Atlas Energy Group Limited. Copies of the financial statements are available from Companies House, 37 Castle Terrace, Edinburgh.

In the directors' opinion, the Company's ultimate parent undertaking and controlling party is HgCapital Trust plc, which is incorporated in England. Copies of the financial statements of HgCapital Trust plc are available from Companies House, Crown Way, Maindy, Cardiff.