

Company Registration No. 01231037

Atlas Interactive Limited

Report and Financial Statements

for the year ended 30 September 2010

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Atlas Interactive Limited

Report and financial statements 2010

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Atlas Interactive Limited

Report and financial statements 2010

Officers and professional advisers

Directors

J McCann
H Van Der Vossen
J Rowley
A Imrie

Secretary

J McCann

Registered office

Broadgate Tower Primrose Street
London
EC2A 2EW

Bankers

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

Solicitors

Dickson Minto W S
16 Charlotte Square
Edinburgh
EH2 4DF

Independent Auditors

Deloitte LLP
Aberdeen, UK

Atlas Interactive Limited

Directors' report

The directors present their report together with the financial statements and auditors' report, for the year ended 30 September 2010

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

Principal activities

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

The directors are pleased with the trading performance at the financial year 2010, a substantial improvement on the year 2009. The board is optimistic about a positive trading outlook in 2011

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 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 also 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 group's forecast and projections, taking account of reasonable possible changes in trading performance, show that the group is able to operate within the conditions of its financial covenants. 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 reasons, they continue to adopt the going concern basis in preparing the annual reports and financial statements

Directors

The directors, who served throughout and to the date of this report, the year except as noted, were as follows

J R F Bennett (resigned 11 December 2009)
H Van Der Vossen
J McCann
J Rowley (appointed 7 June 2010)
A Imrie (appointed 1 July 2010)

Auditors

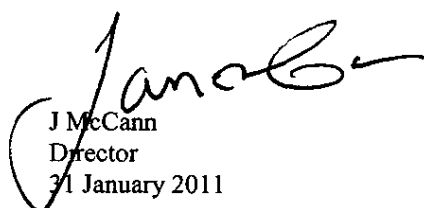
Each of the persons who is a director at the date of approval of this report confirms that

- 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 s418 of the Companies Act 2006

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting

Approved by the Board and signed on its behalf by


J McCann
Director
31 January 2011

Atlas Interactive Limited

Directors' responsibilities statement

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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 2010 which comprise the profit and loss account the balance sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report.



Michael McGregor ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Aberdeen, United Kingdom
31 January 2011

Atlas Interactive Limited

Profit and loss account For the year ended 30 September 2010

	Note	2010 £	2009 £
Turnover	2	6,501,781	5,291,456
Cost of sales		(939,195)	(388,269)
Gross profit		5,562,586	4,903,187
Administrative expenses		(3,956,992)	(4,004,941)
Other operating income		50,462	24,567
Operating profit		1,656,056	922,813
Interest receivable and similar income		-	3,456
Interest payable and similar charges		(12,281)	(4,498)
Profit on ordinary activities before taxation	3	1,643,775	921,771
Tax on profit on ordinary activities	5	(227,191)	137,074
Profit for the financial year	11	<u>1,416,584</u>	<u>1,058,845</u>

All of the company's activities relate to continuing operations

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

Atlas Interactive Limited

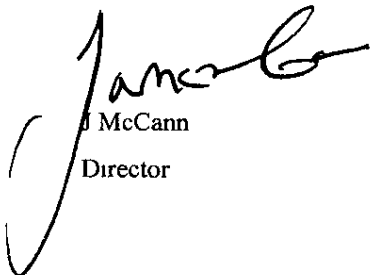
Balance sheet As at 30 September 2010

	Note	2010 £	2009 £
Fixed assets			
Intangible assets	6	-	139,723
Tangible assets	7	1,457,644	1,542,481
		<u>1,457,644</u>	<u>1,682,204</u>
Current assets			
Debtors	8	4,615,347	2,753,429
Cash at bank and in hand		1,095,143	752,941
		<u>5,710,490</u>	<u>3,506,370</u>
Creditors: amounts falling due within one year	9	<u>(1,178,203)</u>	<u>(615,227)</u>
Net current assets		<u>4,532,287</u>	<u>2,891,143</u>
Net assets		<u>5,989,931</u>	<u>4,573,347</u>
Capital and reserves			
Called-up share capital	10	40,000	40,000
Profit and loss account	11	5,949,931	4,533,347
Shareholders' funds	12	<u>5,989,931</u>	<u>4,573,347</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements of Atlas Interactive Limited, registered number 01231037, were approved by the board of directors and authorised for issue on 31 January 2011

They were signed on its behalf by


J McCann
Director

Atlas Interactive Limited

Notes to the financial statements **Year ended 30 September 2010**

1. Principal accounting policies

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

Basis of accounting

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

Going concern

The company's business activities, together with the factors likely to affect its future prospects, are discussed in the directors' report on page 2. After making enquiries, the directors have a reasonable expectation that the company has 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 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.

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.

Atlas Interactive Limited

Notes to the financial statements (continued) Year ended 30 September 2010

1. Principal accounting policies (continued)

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:

Buildings	2% per annum
Computer equipment	33⅓% per annum
Office equipment	15% per annum
Motor vehicles	33% per annum
Property improvements	10% 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.

2. Turnover

In the year to 30 September 2010, 21% (2009: 28%) of the company's turnover was to markets outside the United Kingdom.

Atlas Interactive Limited

Notes to the financial statements (continued) Year ended 30 September 2010

3. Profit on ordinary activities before taxation

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

	2010 £	2009 £
Amortisation of intangible assets	139,723	65,157
Depreciation of tangible fixed assets – owned	187,359	171,002
Auditors' remuneration for		
- Audit	26,000	22,500
- Tax compliance	14,000	10,000
- Tax advice	18,000	5,000
Operating lease rentals – other	47,546	52,229
Gain on foreign currency exchange	(52,680)	(24,485)
Loss/(gain) on sale of fixed assets	2,217	(82)
	<u> </u>	<u> </u>

4. Directors' remuneration

	2010 £	2009 £
Emoluments	<u>571,895</u>	<u>559,205</u>

No directors (2009 none) were members of the company money purchase pension scheme

Atlas Interactive Limited

Notes to the financial statements (continued) Year ended 30 September 2010

5. Tax on profit on ordinary activities

The tax charge/(credit) comprises

	2010 £	2009 £
Current tax		
UK corporation tax	223,854	2,030
Foreign tax	-	39,003
	<u>223,854</u>	<u>41,033</u>
Adjustment in respect of prior years		
- UK corporation tax	3,337	(148,586)
	<u>3,337</u>	<u>(148,586)</u>
Total current tax charge/(credit)	<u>227,191</u>	<u>(107,553)</u>
Deferred tax		
Origination and reversal of timing differences	-	(2,000)
Adjustment in respect of prior years	-	(27,521)
	<u>-</u>	<u>(29,521)</u>
Total deferred tax	<u>-</u>	<u>(29,521)</u>
Total charge/(credit) tax on profit on ordinary activities	<u>227,191</u>	<u>(137,074)</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 profit before tax is as follows

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>1,643,775</u>	<u>921,771</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 28% (2009 21%)	460,257	193,572
Effects of		
Expenses not deductible for tax purposes	32,531	38,766
Capital allowances in excess of depreciation	(4,719)	35,881
Movement in short term timing differences	5,845	(186)
Group relief claimed	(275,516)	(267,414)
Higher tax rates on overseas earnings	-	36,560
Adjustments to tax charge in respect of previous periods	3,337	(148,586)
Transfer pricing adjustments	5,456	3,854
	<u>227,191</u>	<u>(107,553)</u>
Current tax charge/(credit) for the year	<u>227,191</u>	<u>(107,553)</u>

A deferred tax asset amounting to £30,498 (2009 £33,695) for accelerated capital allowances £24,269 (2008 £33,234) and short term timing differences £6,229 (2008 £461) has not been recognised in accordance with the accounting policy

Atlas Interactive Limited

Notes to the financial statements (continued) Year ended 30 September 2010

6. Intangible fixed assets

	Development costs £
Cost	
At 1 October 2009 and 30 September 2010	211,936
Amortisation	
At 1 October 2009	72,213
Charge for the year	139,723
At 30 September 2010	211,936
Net book value	
At 30 September 2010	-
At 30 September 2009	139,723

Atlas Interactive Limited

Notes to the financial statements (continued) Year ended 30 September 2010

7. Tangible fixed assets

	Buildings £	Computer equipment £	Office equipment £	Motor vehicles £	Property improve- ments £	Total £
Cost						
At 1 October 2009	1,183,843	1,049,179	123,544	15,318	202,514	2,574,398
Additions	-	94,195	5,738	-	4,806	104,739
Disposals	-	(55,860)	(2,772)	-	-	(58,632)
At 30 September 2010	1,183,843	1,087,514	126,510	15,318	207,320	2,620,505
Depreciation						
At 1 October 2009	55,086	870,457	69,997	14,580	21,797	1,031,917
Charge for the year	23,725	131,042	11,692	738	20,162	187,359
Disposals	-	(55,860)	(555)	-	-	(56,415)
At 30 September 2010	78,811	945,639	81,134	15,318	41,959	1,162,861
Net book value						
At 30 September 2010	1,105,032	141,875	45,376	-	165,361	1,457,644
At 30 September 2009	1,128,757	178,722	53,547	738	180,717	1,542,481

8. Debtors

	2010 £	2009 £
Amounts falling due within one year		
Trade debtors	1,379,890	1,263,454
Other debtors	68,368	69,480
Corporation tax	-	36,809
Prepayments and accrued income	76,422	156,969
Amounts owed by group companies	3,090,667	1,226,717
	<u>4,615,347</u>	<u>2,753,429</u>

Atlas Interactive Limited

Notes to the financial statements (continued) Year ended 30 September 2010

9. Creditors: amounts falling due within one year

	2010 £	2009 £
Trade creditors	230,670	53,550
Amounts owed to group undertaking	9,353	21,103
Corporation tax	183,671	-
Overseas taxation	-	11,778
Other taxation and social security	227,773	165,918
Other creditors	17,337	2,207
Accruals and deferred income	509,399	360,671
	<u>1,178,203</u>	<u>615,227</u>

10. Called-up share capital

	2010 £	2009 £
Authorised		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
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 2010

11. Reserves

	Profit and loss account £
At 1 October 2009	4,533,347
Profit for the financial year	1,416,584
At 30 September 2010	<u>5,949,931</u>

12. Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year and net increase to shareholders' funds	1,416,584	1,058,845
Opening shareholders' funds	<u>4,573,347</u>	<u>3,514,502</u>
Closing shareholders' funds	<u>5,989,931</u>	<u>4,573,347</u>

13. Financial commitments

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings	
	2010 £	2009 £
Expiry date		
- within one year	4,050	22,200
- after five years	<u>30,896</u>	<u>31,048</u>
	<u>34,946</u>	<u>53,248</u>

14. 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 £44,487 (2009 £36,400). Contributions totalling £3,838 (2009 £2,196) 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 2010**

15. 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 2010 were £7,700,000 (2009 £10,650,000)

16. Related party transactions

Certain directors of the ultimate parent company, Atlas Energy Group Limited have charged £186,039 (2009 £133,058) in respect of services provided to the company

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

17. Parent undertaking

The immediate parent company is Petrolearn Limited, a company incorporated in Scotland

The financial statements of this entity are included in the consolidated financial statements of Atlas Energy Group Limited, the ultimate parent company. Copies of the financial statements are available from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF

The Directors do not consider there to be an ultimate controlling party