

**ABSOLUTELY TRAINING (HOLDINGS) PLC**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**



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**ABSOLUTELY TRAINING (HOLDINGS) PLC**

**LEGAL AND ADMINISTRATIVE DETAILS**

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<b>DIRECTORS</b>	David R Green	(non-executive chairman)
	Paul Fegan	
	Rodney Fetzner FCA FCT	(non-executive)
	Robert Johnson	(non-executive)

<b>SECRETARY</b>	David R Green
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<b>REGISTERED OFFICE</b>	1 Astra Centre Edinburgh Way Harlow Essex CM20 2BN
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<b>COMPANY NUMBER</b>	4106966
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<b>AUDITORS</b>	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY
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**ABSOLUTELY TRAINING (HOLDINGS) PLC**

**CHAIRMAN'S STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2008**

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Shareholders will be aware from the letter sent in November 2008 of the sale by your Company of its sole trading subsidiary, Absolutely Training Limited, to Unicorn Training Group Ltd ('Unicorn'). As result, your Company now holds just under 25% of Unicorn as well as owning other liquid assets of just over £110,000.

As previously mentioned, your Board felt this to be a most positive move, bearing in mind the exceptional times in which we live and Unicorn's track record of profitability. Since November, there has been considerable rationalisation, with a number of duplicated costs being eradicated. The longer term holds the prospect of the two companies using common Learning Management System software, obviating the need and cost of maintaining and improving two separate systems.

The enclosed accounts reflect the sale proceeds. Shareholders will note that the Company has been able to claw back a reasonable amount of assets previously shown as consolidated losses. Over the next few months, your board will be reviewing various options for the distribution of your Company's assets in specie to the shareholders, one option being to place the Company into Members' Voluntary Liquidation. Proposals will be put to shareholders as soon as possible.



**David Green**  
Chairman

13 May 2009

# **ABSOLUTELY TRAINING (HOLDINGS) PLC**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2008**

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The directors present their report together with the audited financial statements for the year ended 31 December 2008.

#### **RESULTS AND DIVIDENDS**

The directors do not recommend the payment of a dividend on the equity shares (2007: £Nil).

#### **PRINCIPAL ACTIVITIES, TRADING REVIEW AND FUTURE DEVELOPMENTS**

The principal activity of the company during the year was that of a holding company.

Information on the group's performance in the period can be found in the chairman's statement on page 2.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The company is a holding company and its income is dependent on the results of its associate. The directors are aware of the risks to the business of its associate related to general economic conditions in the markets and the reliance on the continuation of existing contracts and the uptake of new contracts.

#### **FINANCIAL INSTRUMENTS**

The company finances its operations simply using bank balances plus debtors and creditors. The cash flow is regularly monitored by the directors.

#### **DIRECTORS**

The directors of the company during the year were:

David R Green	
Shaun Walsh	(resigned 17 November 2008)
Paul Fegan	
Rodney Fetzner FCA FCT	
George Alford	(resigned 17 November 2008)
Robert Johnson	
Edwin Stark	(resigned 31 July 2008)
Mark Jones	(resigned 31 November 2008)

**ABSOLUTELY TRAINING (HOLDINGS) PLC**

**DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2008**

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**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 year. 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;
- 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 to 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.

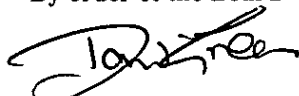
So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

Messrs haysmacintyre have expressed their willingness to continue in office and will be proposed for re-appointment in accordance with S485 of Companies Act 2006.

**By order of the Board**



**David Green**  
Secretary

13 May 2009

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

### ABSOLUTELY TRAINING (HOLDINGS) PLC

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We have audited the financial statements of Absolutely Training (Holdings) Plc for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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 auditor's 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and whether the information given in the Directors' Report is consistent with the financial statements. We also 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.

As discussed in note 1 of the financial statements, the preference shares have been classified as equity shares and included within shareholders' funds with the related dividends being debited directly to equity, which, in our opinion, is not in accordance with Financial Reporting Standards No.25. As the contractual obligations of the preference shares are equivalent to a debt instrument, the shares should be treated as a financial liability and the corresponding dividends included in the profit and loss account. Accordingly, the net assets of the company should be reduced by £600,000 and the loss for the financial year should be increased to £1,552,207.

#### **Opinion**

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements do not give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial position of the company as of 31 December 2008, or the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended.

In all other respects, in our opinion the financial statements have been properly prepared in accordance with the Companies Act 1985.

Notwithstanding the adverse opinion on the financial statements, in our opinion the information given in the directors' report is consistent with the financial statements.

*haysmacintyre*

**haysmacintyre**  
**Chartered Accountants**  
**Registered Auditors**

13 May 2009

**Fairfax House**  
**15 Fulwood Place**  
**London WC1V 6AY**

**ABSOLUTELY TRAINING (HOLDINGS) PLC**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £	2007 £
<b>TURNOVER</b>		-	-
<b>ADMINISTRATIVE EXPENSES</b>		(6,564)	-
<b>OPERATING LOSS</b>	2	(6,564)	-
Loss on disposal of fixed asset investments		(1,533,957)	-
Interest receivable and similar income		314	(70,000)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(1,540,207)	(70,000)
Taxation	3	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	8	<u>£(1,540,207)</u>	<u>£(70,000)</u>

All amounts relate to continuing activities.

The company has no recognised gains or losses other than the results for the above financial year.

The notes on pages 9 to 12 form part of these financial statements.



**ABSOLUTELY TRAINING (HOLDINGS) PLC****BALANCE SHEET****AT 31 DECEMBER 2008**

	Notes	2008 £	2007 £
<b>FIXED ASSETS</b>			
Investment	4	724,983	2,000,000
<b>CURRENT ASSETS</b>			
Debtors	5	60,525	350,940
Cash at bank and in hand		56,896	28,221
<b>NET CURRENT ASSETS</b>		117,421	379,161
<b>CREDITORS: amounts falling due within one year</b>	6	(104,450)	(89,000)
<b>NET CURRENT ASSETS</b>		12,971	290,161
<b>NET ASSETS</b>		<u>£737,954</u>	<u>£2,290,161</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	890,977	890,977
Share premium	8	1,488,184	1,488,184
Profit and loss account	8	(1,641,207)	(89,000)
<b>SHAREHOLDERS' FUNDS</b>	9	<u>£737,954</u>	<u>£2,290,161</u>

The financial statements were approved and authorised for issue by the Board of Directors on 13 May 2009 and were signed below on its behalf by:



**David Green**  
Director

The notes on pages 9 to 12 form part of these financial statements.

**ABSOLUTELY TRAINING (HOLDINGS) PLC****CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	2008 £	2007 £
Net cash outflow from operating activities	A	(31,639)	(617,063)
Returns on investments and servicing of finance			
Interest received		314	-
Capital expenditure			
Proceeds from disposal of tangible fixed assets		60,000	-
Cash inflow/(outflow) before financing		28,675	(617,063)
Financing			
Share issues		-	645,284
Increase in cash in the year	B	<u>£28,675</u>	<u>£28,221</u>

**NOTES TO CASHFLOW STATEMENT**

<b>A. RECONCILIATION TO OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>2008 £</b>	<b>2007 £</b>
Operating loss	(6,564)	(70,000)
Increase in debtors	(91,630)	(547,063)
Increase in creditors	66,555	-
Net cash outflow from operating activities	<u>£(31,639)</u>	<u>£(617,063)</u>
<b>B. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>		
Increase in cash	28,675	28,221
Opening net funds	28,221	-
Closing net funds	<u>£56,896</u>	<u>£28,221</u>

The notes on pages 9 to 12 form part of these financial statements.

# ABSOLUTELY TRAINING (HOLDINGS) PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

### 1. ACCOUNTING POLICIES

#### Basis of preparation

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The company sold its shareholding in Absolutely Training Limited on 13 November 2008. Therefore, consolidated financial statements have not been prepared for the year ended 31 December 2008 and the comparatives have been amended to reflect Absolutely Training (Holdings) Plc only.

#### Investments

Fixed asset investments are stated at cost less provision for impairment.

#### Preference shares

The company has not adopted the requirements of Financial Reporting Standard 25 (FRS25). The preference shares have been treated as an equity instrument with the related dividends being debited directly to equity.

As the preference shares have contractual obligations similar to debt instruments, the shares should be classified as financial liabilities and the related dividends included within the profit and loss account. The audit report has been qualified in this respect.

#### Share based payments

Financial Reporting Standard 20 requires the Group to recognise an expense in respect of the granting over shares to employees and directors. This expense, which is calculated by reference to the fair value of the options granted, is recognised on a straight line basis over the vesting year based on the Group's estimate of options that will eventually vest. The Directors have used the Black Scholes model to estimate the value of options granted (Note 11).

### 2. OPERATING LOSS

	2008 £	2007 £
The operating loss is stated after charging:		
Auditors' remuneration - audit services	3,450	3,000

### 3. TAXATION

	2008 £	2007 £
No taxation is payable on the results for the year.		

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

Loss on ordinary activities before tax	£(1,540,207)	£(70,000)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 28% (2007: 30%)	(431,258)	(21,000)
Effects of:		
Expenses not deductible for tax purposes	1,750	21,000
Loss on disposal of fixed asset investment	429,508	-
Current tax charge for year	£ -	£ -

**ABSOLUTELY TRAINING (HOLDINGS) PLC**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2008**

<b>4. FIXED ASSET INVESTMENTS</b>	<b>Shares in subsidiary undertaking £</b>
<b>Cost and net book value</b>	
At 1 January 2008	2,000,000
Additions	1,103,923
Disposals	(2,378,940)
	<u>£724,983</u>
At 31 December 2008	<u>£724,983</u>

On 22 October 2008, the investment in Absolutely Training Limited was increased by £378,940 by the conversion of an inter-company balance. Subsequently, on 13 November 2008, the 100% holding in Absolutely Training Limited was sold for cash consideration of £120,000 and 9,975 ordinary shares in Unicorn Training Group Limited, valued at £724,983.

The investment as at 31 December 2008 represents a 24.9% holding in Unicorn Training Group Limited, a company incorporated in England and Wales.

<b>5. DEBTORS</b>	<b>2008 £</b>	<b>2007 £</b>
Amounts due from subsidiary undertakings	-	343,440
Other debtors	60,525	7,500
	<u>£60,525</u>	<u>£350,940</u>

<b>6. CREDITORS: amounts falling due within one year</b>	<b>2008 £</b>	<b>2007 £</b>
Amounts owed to parent undertaking	101,000	89,000
Accruals and deferred income	3,450	-
	<u>£104,450</u>	<u>£89,000</u>

<b>7. SHARE CAPITAL</b>	<b>2008 £</b>	<b>2007 £</b>
<b>Authorised</b>		
45,000,000 'A' Ordinary shares of £0.01	450,000	450,000
5,000,000 'B' Ordinary shares of £0.01	50,000	50,000
2,000,000 2% convertible redeemable preference shares of £1	2,000,000	2,000,000
	<u>£2,500,000</u>	<u>£2,500,000</u>
<b>Allotted, called up and fully paid</b>		
Equity shares:		
25,547,724 'A' ordinary shares of £0.01	255,477	255,477
3,550,000 'B' Ordinary shares of £0.01	35,500	35,500
600,000 2% redeemable preference shares of £1	600,000	600,000
	<u>£890,977</u>	<u>£890,977</u>

**ABSOLUTELY TRAINING (HOLDINGS) PLC****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2008****7. SHARE CAPITAL (continued)****Preference shares**

The 2% preference shares carry no voting rights, and in the event of the company being wound up, the assets remaining after the payment of the debts and liabilities of the company and the costs of the liquidation shall be applied first in repaying the amounts paid up on the preference shares and any arrears in dividends thereon.

As regards redemption, the company shall redeem all the preference shares in issue at par together with any arrears of dividends either on completion of a sale or a listing.

The preference shareholders are entitled to a fixed cumulative dividend at the rate of 2% per annum. The first dividend was payable on 30 June 2004 and in accordance with FRS25, the cumulative dividends have been accrued for and will be paid when sufficient distributable reserves are available prior to the payment of any equity dividends. At 31 December 2008 there were accumulated dividend arrears of £101,000 (2007 £89,000).

**Unapproved share option scheme**

At 31 December 2008, the following options were outstanding in respect of the ordinary shares at an exercise price of 18p per share.

Date of grant	Number of shares	Period of option
March 2003	83,333	March 2005 to March 2013
August 2003	12,300	August 2003 to August 2013
January 2004	1,111,110	January 2006 to January 2014
January 2004	15,160	January 2006 to January 2014
January 2004	16,667	March 2006 to March 2014
January 2004	16,522	April 2006 to April 2014
August 2004	33,663	August 2006 to August 2014
October 2004	31,687	October 2004 to October 2014
January 2005	22,088	January 2007 to January 2015
May 2005	39,610	May 2007 to May 2015
June 2005	16,667	June 2007 to June 2015
February 2006	33,333	February 2008 to February 2016
May 2006	33,334	May 2008 to May 2016
July 2006	33,334	July 2008 to July 2016
	<u>1,498,808</u>	

At 31 December 2008, the following options were outstanding in respect of the ordinary shares at an exercise price of 18p per share.

Date of grant	Number of shares	Period of option
January 2001	847,818	From date of grant, no expiry date.
May 2001	83,333	May 2001 to May 2011
May 2001	33,333	May 2001 to May 2022
October 2001	6,666	October 2001 to October 2011
March 2002	1,749,999	March 2002 to March 2012
September 2002	83,333	September 2002 to September 2012
January 2004	1,472,222	January 2004 to January 2014
August 2005	83,333	August 2005 to August 2015
August 2007	10,000	August 2007 to August 2017
	<u>4,370,037</u>	

# ABSOLUTELY TRAINING (HOLDINGS) PLC

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2008

#### 7. SHARE CAPITAL (continued)

In accordance with the accounting policy (Note 1), the share options have been accounted for in accordance with FRS20, requiring the fair value of the options granted to be systematically charged to the profit and loss account over the vesting year.

The fair value of the share options listed above has been calculated using the Black Scholes Model. As the resulting share based payment for the year is immaterial, no charge has been made to the profit and loss account for the year and no prior year adjustment is required.

#### 8. RESERVES

	Share premium Account £	Profit and loss reserve £
At 1 January 2008	1,488,184	(89,000)
Loss for the financial year	-	(1,540,207)
Preference share dividends	-	(12,000)
At 31 December 2008	<u>£1,488,184</u>	<u>£(1,641,207)</u>

#### 9. RECONCILIATION OF SHAREHOLDERS' FUNDS

Loss for the year	(1,540,207)	(71,000)
Preference share dividends	(12,000)	(18,000)
Issue of shares	-	645,284
Movement in shareholders' funds	<u>(1,552,207)</u>	<u>556,284</u>
Opening shareholders' funds	2,290,161	1,733,877
Closing shareholders' funds	<u>£737,954</u>	<u>£2,290,161</u>

#### 10. RELATED PARTY TRANSACTIONS

The accrued preference dividends of £101,000 as at 31 December 2008 are owed to Greenbrook Industries Limited.

As at 31 December 2008, the company held a guarantee in favour of Absolutely Training Limited, a company of which Paul Fegan is a director, to cover its bank loan of £83,334. In addition, as at 31 December 2008, the company was still part of a VAT group with Absolutely Training Limited. The company has been released from both the guarantee and the VAT group post year-end.

#### 11. ULTIMATE PARENT COMPANY

At 31 December 2008, the company's parent company was Greenbrook Industries Limited.