

Accountants and business advisors

CATALIS GROUP LIMITED

Company Number: 3351659

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2003



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CATALIS GROUP LIMITED

COMPANY INFORMATION

Directors	C Chapman W J C Douie
Secretary	A Bailey
Company Number	3351659
Registered Office	Kingston House Oaklands Business Park Armstrong Way Yate BS37 5NA
Auditors	PKF Pannell House 6-7 Litfield Place Clifton Bristol BS8 3LX
Bankers	Bank of Scotland 14-16 Cockspur Street London SW1Y 5BL

CATALIS GROUP LIMITED

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CATALIS GROUP LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2003

The directors submit their report and the financial statements for the year ended 31 December 2003.

Results and dividends

The loss for the year, after taxation, amounted to £4,349 (2002 - £13,609 profit).

The directors recommend a dividend of £35,000 leaving a deficit of £39,349 which is deducted from retained reserves.

Principal activity and review of the business

The principal activity of the company during the year continued to be that of an investment company.

Directors

The directors who served during the year were:

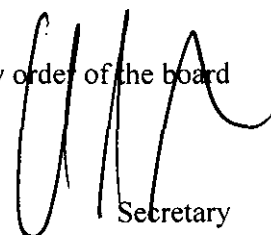
C Chapman
W J C Douie

None of the directors had any direct shareholding in the company at any time during the year. The company is a wholly owned subsidiary of the ATA Group Plc. The interests of the directors in the share capital of the parent company are disclosed in the financial statements of that company.

Auditors

The auditors, PKF, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

By order of the board



Secretary

CATALIS GROUP LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 period. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CATALIS GROUP LIMITED**

We have audited the financial statements of Catalis Group Limited for the year ended 31 December 2003 which comprise the Profit and Loss Account, the Balance Sheet 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom Auditing Standards 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 judgments 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CATALIS GROUP LIMITED (continued)**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

16 April 2004

Bristol, UK

PICF

Registered Auditors

CATALIS GROUP LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2003

	Notes	2003 £	2002 £
Administrative expenses		(4,475)	16,209
OPERATING (LOSS)/PROFIT		<u>(4,475)</u>	<u>16,209</u>
Interest receivable and similar income		126	644
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(4,349)</u>	<u>16,853</u>
TAXATION	2	<u>-</u>	<u>(3,244)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(4,349)</u>	<u>13,609</u>
DIVIDENDS (including non-equity)	3	<u>(35,000)</u>	<u>(35,000)</u>
		<u><u>(39,349)</u></u>	<u><u>(21,391)</u></u>

All amounts relate to continuing operations.

There were no recognised gains or losses for the year other than those included in the profit and loss account.

CATALIS GROUP LIMITED
BALANCE SHEET
31 DECEMBER 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Investments	4	3,402,177	3,402,177
CURRENT ASSETS			
Debtors	5	8,897	4,533
Cash at bank and in hand		-	8,713
		<u>8,897</u>	<u>13,246</u>
CREDITORS: amounts falling due within one year	6	<u>(3,065,722)</u>	<u>(3,065,722)</u>
NET CURRENT LIABILITIES		<u>(3,056,825)</u>	<u>(3,052,476)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>345,352</u></u>	<u><u>349,701</u></u>
CAPITAL AND RESERVES (including non-equity interests)			
Called up share capital	7	505,894	505,894
Share premium account		299,164	299,164
Profit and loss account	8	(459,706)	(455,357)
SHAREHOLDERS' FUNDS	9	<u><u>345,352</u></u>	<u><u>349,701</u></u>

The financial statements were approved by the board on 16 April 2004.

Signed on behalf of the board of directors



Director

CATALIS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

(b) Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

(c) Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No.1 (revised) from including a cashflow statement in the financial statements on the grounds that the company is wholly owned and its parent company publishes a consolidated cash flow statement.

(d) Investments

Investments are included at cost. Profits or losses arising from the disposal of fixed asset investments are treated as part of the result from ordinary activities.

(e) Capital instruments

Capital instruments are accounted for in accordance with the principles of Financial Reporting Standard 4, "Capital Instruments", as issued by the Accounting Standards Board, and are classified as equity share capital and non-equity share capital as appropriate.

CATALIS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003

2 TAXATION

(a) Analysis of charge in year	2003 £	2002 £
UK corporation tax		
Current tax on income for the year	-	3,244
	<u> </u>	<u> </u>
(b) Factors affecting the tax charge for the year		
The tax assessed for the year does not reflect a credit equivalent to the loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%. The differences are explained below:		
	2003 £	2002 £
(Loss)/profit on ordinary activities before tax	(4,349)	16,853
	<u> </u>	<u> </u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax of 30% (2002: 30%)	(1,305)	5,056
Effects of:		
Marginal relief	-	(1,812)
Group relief surrendered for no payment	1,305	-
	<u> </u>	<u> </u>
Current tax charge for the year	-	3,244
	<u> </u>	<u> </u>

3 DIVIDENDS

	2003 £	2002 £
Non-equity		
Accrued in respect of 7% cumulative redeemable preference shares of £1 each	35,000	35,000
	<u> </u>	<u> </u>
of which:		
Dividends on non-equity shares	35,000	35,000
	<u> </u>	<u> </u>

4 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £
Cost	
At 1 January 2003 and 31 December 2003	3,402,177
	<u> </u>

CATALIS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003

4 FIXED ASSET INVESTMENTS (continued)

The company holds the following investments in subsidiary undertakings:

Name	Country of incorporation/ registration and operation	Type of share	% of nominal value of shares
CRT Training Limited	Great Britain	Ordinary	100
RTAS Limited	Great Britain	Ordinary	100

5 DEBTORS

	2003 £	2002 £
Due within one year		
Amounts due from group undertakings	8,839	-
Other debtors	-	4,475
Called up share capital not paid	58	58
	<u>8,897</u>	<u>4,533</u>

6 CREDITORS

	2003 £	2002 £
Amounts falling due within one year		
Amounts owed to group undertakings	3,062,478	3,062,478
Corporation tax	3,244	3,244
	<u>3,065,722</u>	<u>3,065,722</u>

7 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid	
		No	£
At 1 January 2003 and 31 December 2003			
Cumulative Redeemable Preference shares of £1 each	500,000	500,000	500,000
A Ordinary shares of £10 each	9,900	580	5,800
B Ordinary shares of £0.01 each	10,000	9,400	94
	<u>519,900</u>	<u>509,980</u>	<u>505,894</u>

CATALIS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003

7 SHARE CAPITAL (continued)

The Preference dividend at a rate of 7% shall accrue from day to day and, if declared, be paid on 1 December in each year. Any preference dividend payable at a later date shall include any arrears and a further sum of interest on such arrears from the date they should have been paid if declared.

Preference shareholders have first call at winding up in respect of any arrears of preference dividend and related interest and the return of paid up capital. A holder of preference shares is entitled to notice and to attend and speak at all general meetings of the company but shall not be entitled to vote.

Preference shares shall be redeemed in full at par on 4 December 2007. There may also be whole or partial redemption at the discretion of the company provided that conditions in 4(h) of the Articles of Association are met.

'A' and 'B' ordinary shares rank pari passu in all respects.

8 RESERVES

Profit and loss account	£
At 1 January 2003	(455,357)
Loss for the year	(4,349)
Dividends	(35,000)
Preference dividends not yet declared	35,000
At 31 December 2003	<u>(459,706)</u>

9 SHAREHOLDERS' FUNDS

	2003 £	2002 £
Shareholders' funds at 1 January 2003	349,701	336,092
(Loss)/profit for the year	(4,349)	13,609
Dividends	(35,000)	(35,000)
Other movements:		
Preference dividends not yet declared	35,000	35,000
Shareholders' funds at 31 December 2003	<u>345,352</u>	<u>349,701</u>
Shareholders' funds include amounts attributable to non-equity interests as follows:		
Preference shareholders	641,223	606,223
Equity interests	(295,871)	(256,522)
Total	<u>345,352</u>	<u>349,701</u>

10 TRANSACTIONS WITH RELATED PARTIES

The company has taken advantage of the exemptions available in Financial Reporting Standard No.8 (Related Party Disclosures) and has not disclosed transactions with either the parent company, or other wholly owned subsidiary undertakings of the parent company.

CATALIS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003

11 PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The company is controlled by ATA Group Plc. The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is ATA Group Plc. Consolidated accounts are available from ATA Group Plc, Kingston House, Oaklands Business Park, Armstrong Way, Yate, BS37 5NA. In the opinion of the directors this is the company's ultimate parent company.