

**CATALIS GROUP LIMITED**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2005**

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**CATALIS GROUP LIMITED**

**COMPANY INFORMATION**

**Directors**

W J C Douie  
C Chapman (resigned 27/01/06)

**Secretary**

E Jarvis

**Company number**

3351659

**Registered office**

Kingston House  
Oaklands Business Park  
Armstrong Way  
Yate  
BS37 5NA

# CATALIS GROUP LIMITED

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# CATALIS GROUP LIMITED

## DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The director presents his report and the financial statements for the year ended 31 December 2005.

### Principal activities and review of business

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

The company did not trade during the year and it is not envisaged that it will trade in the foreseeable future.

### Directors

The Directors who served during the year were:

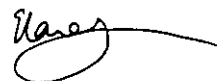
W J C Douie  
C Chapman (deceased 27/01/06)

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

On 23 May 2005, PKF transferred their business to PKF (UK) LLP, a limited liability partnership. Under section 26(5) of the Companies Act 1989, the company consented to extend the audit appointment to PKF (UK) LLP from 23 May 2005. Accordingly, the audit report has been signed in the name of PKF (UK) LLP and a resolution for the reappointment of PKF (UK) LLP will be proposed at the forthcoming annual general meeting.

This report was approved by the board on 1 December 2006 and signed on its behalf.



Secretary

## CATALIS GROUP LIMITED

### STATEMENT OF DIRECTOR'S RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2005

The director is 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 director 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 these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

## CATALIS GROUP LIMITED

### 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 2005 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. The 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 director's responsibilities for preparing the annual report and 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 director's 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 if, in our opinion, the director's 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 other transactions is not disclosed.

We read the director's 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 judgments made by the director 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 31 December 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

*PKF (UK) LLP*

PKF (UK) LLP

Registered auditors

London, UK

Date: *4 December 2006*

**CATALIS GROUP LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	2005 £	As restated 2004 £
Interest payable	2	(35,000)	(35,000)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(35,000)</b>	<b>(35,000)</b>
<b>TAX ON LOSS ON ORDINARY ACTIVITIES</b>	3	-	-
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>	9	<b>(35,000)</b>	<b>(35,000)</b>

All amounts relate to continuing operations.

The company has not traded during the year. During this period, the company received no income and incurred no expenditure other than exempted payments under the provisions of section 249A A(7) of the Companies Act 1985.

**CATALIS GROUP LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005 £	2004 £
<b>LOSS FOR THE FINANCIAL YEAR</b>	<u>(35,000)</u>	<u>(35,000)</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u>(35,000)</u>	<u>(35,000)</u>
Prior year adjustment (note 10)	<u>(141,223)</u>	
<b>TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST FINANCIAL STATEMENTS</b>	<u><u>(176,223)</u></u>	

**BALANCE SHEET  
AS AT 31 DECEMBER 2005**

	Note	£	2005 £	£	As restated 2004 £
<b>FIXED ASSETS</b>					
Fixed asset investments	4		3,402,177		3,402,177
<b>CURRENT ASSETS</b>					
Debtors	5	8,897		8,897	
<b>CREDITORS: amounts falling due within one year</b>	6	<u>(3,276,945)</u>		<u>(3,241,945)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(3,268,048)</u>		<u>(3,233,048)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			134,129		169,129
<b>CREDITORS: amounts falling due after more than one year</b>	7		<u>(500,000)</u>		<u>(500,000)</u>
<b>NET LIABILITIES</b>			<u><u>(365,871)</u></u>		<u><u>(330,871)</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		5,894		5,894
Share premium account			299,164		299,164
Profit and loss account	9		<u>(670,929)</u>		<u>(635,929)</u>
<b>SHAREHOLDERS' FUNDS - All equity</b>	11		<u><u>(365,871)</u></u>		<u><u>(330,871)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 December 2006.

Director

The notes on pages 6 to 11 form part of these financial statements.



# CATALIS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

### 1. ACCOUNTING POLICIES

#### 1.1 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.

The company is dormant and received no income and incurred no expenditure other than exempted payments under the provisions of section 249A A(7) of the Companies Act 1985 during the year ended 31 December 2005. It is however dependant on the financial support of ATA Group Plc, the parent company, to not request payment of either the preference share capital or the accrued arrears of preference share dividends.

The directors of ATA Group Plc have confirmed that they will not request payment of either sum until adequate funds exist but despite this the directors do not consider the company to be a going concern. The financial statements have not therefore been drawn up on the going basis but this does not require any adjustment to be made to any of the amounts included therein.

#### 1.2 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

### 2. INTEREST PAYABLE

	2005 £	As restated 2004 £
Dividends paid on shares classed as debt	<u>35,000</u>	<u>35,000</u>

# CATALIS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

### 3. TAXATION

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2005 £	2004 £
Loss on ordinary activities before tax	<u>(35,000)</u>	<u>(35,000)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004 - 30%)	(10,500)	(10,500)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	10,500	10,500
<b>Current tax charge for the year</b>	<u>-</u>	<u>-</u>

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

### 4. FIXED ASSET INVESTMENTS

	Shares in group under- takings £
<b>Cost or valuation</b>	
At 1 January 2005 and 31 December 2005	<u>3,402,177</u>

#### Subsidiary undertakings

The following were subsidiary undertakings of the company, both of which are registered in England and Wales and are dormant:

CRT Training Limited  
RTAS Services Limited

The aggregate of the share capital and reserves as at 31 December 2005 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
CRT Training Limited	3,139,092	-
RTAS Services Limited	<u>81,960</u>	<u>-</u>

**CATALIS GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2005**

**5. DEBTORS**

	2005 £	2004 £
Amounts owed by group undertakings	8,839	8,839
Called up share capital not paid	58	58
	<u>8,897</u>	<u>8,897</u>

**6. CREDITORS:  
Amounts falling due within one year**

	2005 £	As restated 2004 £
Amounts owed to group undertakings	3,065,722	3,065,722
Other creditors	211,223	176,223
	<u>3,276,945</u>	<u>3,241,945</u>

*Other creditors* represents the cumulative preference share dividends which have not been declared or paid to date.

**7. CREDITORS:  
Amounts falling due after more than one year**

	2005 £	As restated 2004 £
Share capital treated as debt	500,000	500,000

Disclosure of the terms and conditions attached to the non-equity shares are made in note 8.

# CATALIS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

### 8. SHARE CAPITAL

	2005 £	As restated 2004 £
<b>Shares classified as capital</b>		
<b>Authorised</b>		
990 "A" Ordinary Shares shares of £10 each	9,900	9,900
1,000,000 "B" Ordinary Shares shares of 1p each	10,000	10,000
	<u>19,900</u>	<u>19,900</u>
<b>Allotted, called up and fully paid</b>		
580 "A" Ordinary Shares shares of £10 each	5,800	5,800
9,400 "B" Ordinary Shares shares of 1p each	94	94
	<u>5,894</u>	<u>5,894</u>
<b>Shares classified as debt</b>		
<b>Authorised, allotted, called up and fully paid</b>		
500,000 Cumulative redeemable preference shares shares of £1 each	<u>500,000</u>	<u>500,000</u>

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 on a 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.

### 9. RESERVES

	Profit and loss account £
At 1 January 2005	(494,706)
Prior year adjustment (note 10)	(141,223)
	<u>(635,929)</u>
At 1 January 2005 (as restated)	(635,929)
Loss retained for the year	(35,000)
	<u>(670,929)</u>
At 31 December 2005	<u>(670,929)</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2005

10. PRIOR YEAR ADJUSTMENT

FRS 25 : Financial Instruments : Disclosure and presentation

Under the terms of FRS 25 preference share capital is now treated as a creditor of the company as opposed to the previous treatment where it was included with equity share capital. As a result of this change preference share dividends are now treated as interest payable and not dividends and are therefore deducted in arriving at the profit before tax for the year.

In addition in prior years preference dividends which had not been declared were accounted for by a transfer from equity shareholder's funds to non-equity shareholder's funds. As preference share dividends are treated as interest under FRS 25 this treatment has been reversed and the preference share dividends are now charged against the profit and loss reserve with the cumulative dividend to date that has not been paid included within creditors falling due within one year.

The effect of this change in accounting policy on the comparative financial information of the prior period is as follows:

Dividends:

Dividends as previously reported amounted to £35,000. This figure has now been restated to £Nil to reflect the impact of FRS 25, as explained above (a reduction of £35,000).

Interest payable:

Interest payable as previously reported amounted to £Nil. This figure has now been restated to £35,000 to reflect the impact of FRS 25 (an increase of £35,000).

Creditors - amounts due within one year:

Creditors - amounts due within one year as previously reported amounted to £3,065,722. This figure has now been restated to £3,241,945 to reflect the impact of FRS 25 (an increase of £176,223 representing accrued and unpaid preference share dividends).

Creditors - amounts due after one year:

Creditors - amounts due after one year as previously reported amounted to £Nil. This figure has now been restated to £500,000 to reflect the impact of FRS 25 (an increase of £500,000 being the amount of preference share capital).

Share capital:

Share capital as previously reported amounted to £505,894. This figure has now been restated to £5,894 to reflect the impact of FRS 25 (a reduction of £500,000).

Profit and loss account reserve

Profit and loss account reserve as previously reported amounted to a deficit £459,706. This figure has now been restated to a deficit of £635,929 to reflect the impact of FRS 25 (an increase of £176,223).

Shareholder's funds

Shareholder's funds as previously reported amounted to £345,532. This figure has now been restated to a deficit of £330,871 to reflect the impact of FRS 25 (a reduction of £676,403).

# CATALIS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

### 11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2005 £	As restated 2004 £
Opening shareholders' funds	(330,871)	(295,871)
Loss for the year	(35,000)	(35,000)
Closing shareholders' funds	<u>(365,871)</u>	<u>(330,871)</u>

### 12. RELATED PARTY TRANSACTIONS

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.

### 13. CONTROLLING PARTY

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.