

3439039

## **Betternote Limited**

**Report and Accounts**  
*Year ended 31 December 2006*



**Rees Pollock**  
**Chartered Accountants**

## **BETTERNOTE LIMITED**

### **Director**

Futuremedia Plc

### **Secretary**

S Tordjman-Kulczak

### **Auditors**

Rees Pollock  
35 New Bridge Street  
London  
EC4V 6BW

### **Solicitors**

Addleshaw Goddard  
100 Barbican Square  
Manchester  
M20 2SS

### **Registered Office**

Nile House  
Nile Street  
Brighton  
East Sussex BN1 1HW

### **Registered Number**

3439039

## **BETTERNOTE LIMITED**

### **DIRECTOR'S REPORT**

The director presents the report and accounts for the year ended 31 December 2006

#### **Results and dividends**

The profit for the year, after taxation, amounted to £nil (2005 £100,985)

The director has not recommended a dividend (2005 £100,985)

#### **Review of the business**

The company's principal activity during the period was that of a holding company of a group whose principal activity during the year was that of the production of bespoke e-learning tools

#### **Events since the end of the year**

No events of any material consequence have taken place since the year-end

#### **Directors**

The directors who served during the year were as follows

L M Fertig	(Appointed 16 October 2006)
R Mackie	(Appointed 13 October 2006)
C Haire	(Served from 25 April 2006 to 17 October 2006)
J Satchell	(Resigned 25 April 2006)
R Barby	(Resigned 25 April 2006)

L M Fertig resigned as a director on 31 May 2007

R Mackie resigned as a director on 30 January 2007

Futuremedia plc was appointed as a director on 31 May 2007

#### **Director's responsibilities**

Company law requires the director to prepare accounts for each financial period, which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these accounts 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 accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume the company will continue in business

## **BETTERNOTE LIMITED**

### **DIRECTOR'S REPORT**

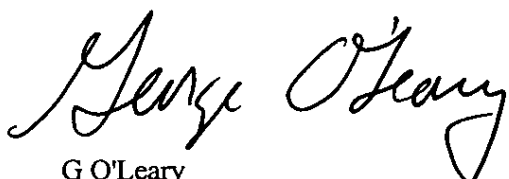
*(continued)*

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities. The director confirms that these accounts comply with these requirements.

#### **Auditors**

Rees Pollock have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'George O'Leary', written in a cursive style.

G O'Leary  
on behalf of  
Futuremedia plc  
Director  
28 September 2007



# REES POLLOCK

*Chartered Accountants*

35 New Bridge Street  
London EC4V 6BW  
Telephone 020 7778 7200  
Fax 020 7329 6408

## **INDEPENDENT REPORT OF THE AUDITORS TO THE MEMBERS OF BETTERNOTE LIMITED**

We have audited the accounts of Betternote Limited for the year ended 31 December 2006 on pages 5 to 8 which have been prepared on the basis of the accounting policies set out on page 7

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 the directors and the auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts 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 accounts 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 Director's Report is consistent with the accounts. 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 the information specified by law regarding director's 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. Our responsibilities do not extend to any other information.

### **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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

### **Opinion**

In our opinion

the accounts 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 2006 and of its profit for the year then ended, and  
the accounts have been properly prepared in accordance with the Companies Act 1985, and  
the information given in the Director's Report is consistent with the accounts for the year ended 31 December 2006.

Rees Pollock  
Chartered Accountants  
Registered Auditors

16 October 2007

**BETTERNOTE LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	Year to 31 December 2006 £	Year to 31 December 2005 £
<b>TURNOVER</b>		—	—
Cost of sales		—	—
		<hr/>	<hr/>
Gross profit		—	—
Administration expenses		—	(15)
		<hr/>	<hr/>
<b>OPERATING LOSS</b>	<b>2</b>	—	(15)
Interest receivable		—	—
Interest payable		—	—
Investment income		—	101,000
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		—	100,985
Taxation on loss on ordinary activities	<b>3</b>	—	—
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		—	100,985
Dividends		—	(100,985)
		<hr/>	<hr/>
Retained profit for the financial year		—	—
		<hr/>	<hr/>

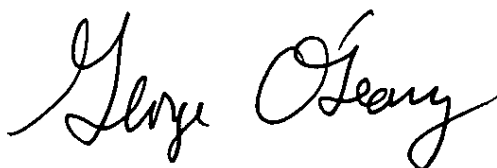
There were no other recognised gains or losses other than the results for the financial year

The notes on pages 7 to 8 form part of these accounts

**BETTERNOTE LIMITED****BALANCE SHEET AT 31 DECEMBER 2006**

	Note	2006 £	2005 £
<b>FIXED ASSETS</b>			
Investments	4	45,500	45,500
 Creditors amounts falling due within one year	6	(45,498)	(45,498)
Net current liabilities		(45,498)	(45,498)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2</u>	<u>2</u>
 <b>CAPITAL AND RESERVES:</b>			
Called up share capital	7	2	2
Profit and loss account		—	—
<b>EQUITY SHAREHOLDER'S FUNDS/(DEFICIT)</b>	8	<u>2</u>	<u>2</u>

The accounts on pages 5 to 8 were approved by the board and authorised for issue on 28 September 2007 and are signed by



G O'Leary  
on behalf of  
Futuremedia plc  
Director

The notes on pages 7 to 8 form part of these accounts

## **BETTERNOTE LIMITED**

### **NOTES TO THE ACCOUNTS AT 31 DECEMBER 2006**

#### **1. ACCOUNTING POLICIES**

##### **Accounting convention**

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards

##### **Group accounts**

Group accounts have not been prepared because of the exemption conferred by s248 of the Companies Act 1985 on small sized groups. Therefore information presented in these accounts relates only to the company

#### **2. AUDITORS' REMUNERATION**

Auditors' remuneration is borne by FutureMedia plc, the company's ultimate parent undertaking

#### **3. TAXATION**

No tax has been provided due to the absence of any taxable profits

#### **4. INVESTMENTS**

	<b>Subsidiary undertakings £</b>
Cost at 31 December 2005	45,500
Additions	—
Cost at 31 December 2006	<u>45,500</u>

See note 5 for additional information regarding the company's subsidiary

#### **5. PRINCIPAL FIXED ASSET INVESTMENTS**

The company holds 99% of the share capital of the following

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of share</b>	<b>Nature of business</b>
Executive Business Channel Limited	UK	Ordinary	Production of e-learning tools

The accounts of Executive Business Channel Limited for the year to 31 December 2006 reported a loss after tax of £109,382 (2005 £281,341 profit after tax) and aggregated capital and reserves of £321,439 (2005 £430,821)



# **BETTERNOTE LIMITED**

## **NOTES TO THE ACCOUNTS AT 31 DECEMBER 2006**

*(continued)*

### **6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Amounts due to parent undertaking	44,953	44,953
Amount due to subsidiary undertaking	45	45
Accruals	50	50
	<u>45,498</u>	<u>45,498</u>

### **7. SHARE CAPITAL**

	<b>Authorised</b>		<b>Authorised, called up and fully paid</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>No.</b>	<b>No.</b>	<b>£</b>	<b>£</b>
£1 ordinary shares	<u>1,000</u>	<u>1,000</u>	<u>2</u>	<u>2</u>

### **8. SHAREHOLDERS' FUNDS**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Shareholders' funds brought forward	2	2
Retained profit for the period	—	—
	<u>2</u>	<u>2</u>
Shareholders' funds carried forward	<u>2</u>	<u>2</u>

### **9. ULTIMATE PARENT UNDERTAKING**

The company is a wholly owned subsidiary of Lexon Incorporated, a company registered in the British Virgin Islands

Lexon Incorporated was the ultimate parent undertaking until 25 April 2006 when Lexon Incorporated was acquired by Futuremedia plc, a company registered in England and Wales.

Subsequent to the acquisition, Futuremedia plc is the company's ultimate parent undertaking and heads the smallest and largest group for which consolidated accounts including the company's position and results are produced. Copies of Futuremedia plc's consolidated accounts are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ