

# **CATALIS RAIL TRAINING LIMITED**

Company Number 4086015

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2007**

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# CATALIS RAIL TRAINING LIMITED

## COMPANY INFORMATION

<b>Directors</b>	A Bailey W J C Douie A Pendlebury J M Kendall
<b>Secretary</b>	J M Kendall
<b>Company Number</b>	4086015
<b>Registered Office</b>	The Derby Conference Centre London Road Derby DE24 8UX
<b>Auditors</b>	PKF (UK) LLP Farringdon Place 20 Farringdon Road London EC1M 3AP

# CATALIS RAIL TRAINING LIMITED

## CONTENTS

	<b>Page</b>
DIRECTORS' REPORT	1 - 2
STATEMENT OF DIRECTORS' RESPONSIBILITIES	3
INDEPENDENT AUDITOR'S REPORT	4
PROFIT AND LOSS ACCOUNT	5
BALANCE SHEET	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 16

**CATALIS RAIL TRAINING LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 DECEMBER 2007**

The directors submit their report and the financial statements for the year ended 31 December 2007

**Principal activities**

The principal activity of the company during the year was that of providers of specialist training and development and competence assurance to the UK and International rail industry

**Review of business and future developments**

Following the re-organisation of the business in 2006 the company has been restored to profitability

Training activity grew positively across all major areas of delivery resulting in an increase in revenues of 10% to £4.1m compared with 2006. The increased level of trading reflects positive improvements in trainer utilisation and course take up which are key indicators applied to measure the performance of the business.

**Principal risks and uncertainties**

2008 is a year which is likely to be enmeshed in uncertainties and threats on both a local and global scale. Although at this stage it is difficult to forecast the impact on trading as a consequence of the turmoil in the global financial sector and slowing world economies, the directors are content that the Group, of which this company is a part, enters this period serving solid industries with a strong balance sheet.

Treasury activities take place under procedures and policies approved by and monitored by the Board. They are designed to minimise the interest rate, liquidity and credit risks faced. The Group, of which this company is a part, has financed its operations through a mixture of retained profits and bank borrowings and has sourced its main borrowings through a variable rate overdraft facility. The facility was not being used as at 31 December 2007.

**Results and dividends**

The profit for the year, after taxation, amounted to **£119,000** (2006: loss £426,000). The directors declared a dividend of £Nil (2006: £Nil).

**Directors**

The directors who served during the year were as follows:

A Bailey  
W J C Douie  
P C McLoughlin (resigned 8 February 2008)  
A Pendlebury (appointed 27 November 2007)  
J M Kendall (appointed 24 July 2007)

The company is a wholly owned subsidiary of ATA Group Plc. W J C Douie, A Bailey and A Pendlebury were all directors of ATA Group Plc during the year and their interests in the share capital of the parent company are shown in the financial statements of ATA Group Plc.

**CATALIS RAIL TRAINING LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 DECEMBER 2007**

**Financial Instruments**

The Company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. All transactions are invoiced and paid in sterling so there is no foreign currency risk.

The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

**Provision of Information to Auditors**

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 the steps they had ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the board on 22 April 2008 and signed on its behalf

**J M Kendall**  
Secretary



## **CATALIS RAIL TRAINING LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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). The financial statements are required to 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 judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures being 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 that 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 the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CATALIS RAIL TRAINING LIMITED**

We have audited the financial statements of Catalis Rail Training Limited for the year ended 31 December 2007 which comprise the profit and loss account, 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 directors' 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 directors' 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 have been properly prepared in accordance with the Companies Act 1985. We also report to you, whether in our opinion the information given in the directors' report is consistent with the financial statements.

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 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 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 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 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

  
PKF (UK) LLP  
Registered Auditors  
London, UK  
22 April 2008

**CATALIS RAIL TRAINING LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

	<b>Note</b>	<b>2007</b> <b>£,000</b>	<b>2006</b> Continuing <b>£,000</b>	<b>2006</b> Discontinued <b>£,000</b>	<b>2006</b> Total <b>£,000</b>
<b>TURNOVER</b>	<b>1,2</b>	<b>4,064</b>	<b>3,668</b>	<b>810</b>	<b>4,478</b>
Cost of sales		<b>(2,522)</b>	<b>(2,242)</b>	<b>(518)</b>	<b>(2,760)</b>
<b>GROSS PROFIT</b>		<b>1,542</b>	<b>1,426</b>	<b>292</b>	<b>1,718</b>
Administrative expenses		<b>(1,317)</b>	<b>(1,891)</b>	<b>(425)</b>	<b>(2,316)</b>
Other operating income		<b>-</b>	<b>37</b>	<b>-</b>	<b>37</b>
<b>OPERATING PROFIT/(LOSS)</b>	<b>3</b>	<b>225</b>	<b>(428)</b>	<b>(133)</b>	<b>(561)</b>
<b>EXCEPTIONAL ITEMS</b>					
Profit on disposal of fixed assets	<b>5</b>	<b>-</b>	<b>73</b>	<b>-</b>	<b>73</b>
Interest payable and similar charges	<b>7</b>	<b>(1)</b>	<b>(4)</b>	<b>-</b>	<b>(4)</b>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>224</b>	<b>(359)</b>	<b>(133)</b>	<b>(492)</b>
Tax on profit on ordinary activities	<b>8</b>	<b>(105)</b>	<b>48</b>	<b>18</b>	<b>66</b>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>	<b>16</b>	<b>119</b>	<b>(311)</b>	<b>(426)</b>	<b>(426)</b>

All 2007 amounts relate to continuing operations. The discontinued operations in the previous year relate to the conferencing business which was transferred into a separate group company, The Derby Conference Centre, on 1 January 2007.

There were no recognised gains and losses for 2007 or 2006 other than those included in the profit and loss account.

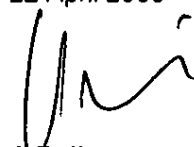
The notes on pages 7 to 16 form part of these financial statements.



**CATALIS RAIL TRAINING LIMITED**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2007**

	Note	2007 £,000	2006 £,000
<b>FIXED ASSETS</b>			
Tangible fixed assets	9	380	424
Fixed asset investments	10	1	1
		<u>381</u>	<u>425</u>
<b>CURRENT ASSETS</b>			
Stocks	11	3	3
Debtors	12	5,891	5,744
Cash at bank and in hand		134	114
		<u>6,028</u>	<u>5,861</u>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(6,826)</u>	<u>(6,846)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(798)</u>	<u>(985)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(417)</u>	<u>(560)</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	14	<u>(48)</u>	<u>(18)</u>
<b>NET LIABILITIES</b>		<u>(465)</u>	<u>(578)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	-	-
Share based payment reserve	16	6	12
Profit and loss account	16	(471)	(590)
<b>SHAREHOLDERS' FUNDS</b>	17	<u>(465)</u>	<u>(578)</u>

The financial statements were approved and authorised for issue by the board and signed on its behalf on 22 April 2008



**A Bailey**  
Director

The notes on pages 7 to 16 form part of these financial statements

**CATALIS RAIL TRAINING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2007**

**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 balance sheet shows that liabilities exceed assets by £465,000. ATA Group Plc has confirmed that it will maintain its financial support for the foreseeable future to enable the company to continue normal trading operations. On that basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The accounts do not include any adjustments that would result if this financial support was withdrawn.

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**

Turnover represents the value of courses, conferences and services provided during the year, excluding value added tax.

**(c) Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

**(d) Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	5 - 25 years
Training equipment	3 - 25 years
Office, IT and Non-training equipment	3 - 5 years

**(e) Operating leases**

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognized on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**(f) Stocks and work in progress**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving stock.

**CATALIS RAIL TRAINING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2007**

**1 ACCOUNTING POLICIES (continued)**

**(g) Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset are recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities have not been discounted

**(h) Pensions**

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period

Defined benefit scheme

The company also operates a defined benefit pension scheme which is a multi-employer defined benefit scheme. As the company is now unable to identify its share of the assets and liabilities it is accounted for as a defined contribution scheme in accordance with FRS 17 see note 21

**(i) Share based payments**

In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2005

ATA Group plc issues equity settled share based payments to certain employees. Equity settled share based payments are measured at fair value (excluding the effect of non market based vesting conditions) at the date of grant. The fair value determined at the date of the grant of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimates of shares that will eventually vest and adjusted for the effect of non market based vesting conditions. The effect of this is shown in note 18. Fair value is measured by use of a Black-Scholes model.

**2 TURNOVER**

Turnover is attributable to one class of business

Included within turnover are amounts of £50,000 (2006 £48,000) in respect of sales made to overseas markets

# CATALIS RAIL TRAINING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

### 3 OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging

	2007 £,000	2006 £,000
Depreciation of tangible fixed assets		
- owned by the company	132	232
Fees payable to the company's auditor for the audit of the company's annual accounts	7	12
Fees payable to the company's auditor for taxation services	-	1
Operating lease rentals		
- other	-	281
(Profit)/loss on disposal of fixed assets	(40)	46
<b>Exceptional item:</b>		
Provision against inter-company balances	-	50
	<hr/>	<hr/>

### 4 DIRECTORS' REMUNERATION

	2007 £,000	2006 £,000
Emoluments	19	55
Company pension contributions to money purchase pension schemes	1	2
	<hr/>	<hr/>
The number of directors accruing benefits under pension schemes were		
Money purchase schemes	1	1
	<hr/>	<hr/>

W J C Douie, A Bailey and A Pendlebury who were all directors of the parent company, do not receive any emoluments from Catalis Rail Training Limited. Full details of their remuneration are disclosed in the financial statements of the parent company, ATA Group Plc.

### 5 EXCEPTIONAL ITEM

The profit on disposal of fixed assets from 2006 amounting to £73,000 relates to the net profit on the sale of training assets to Network Rail.

**CATALIS RAIL TRAINING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2007**

**6 STAFF COSTS**

Staff costs, including directors' emoluments, were as follows

	<b>2007</b>	<b>2006</b>
	<b>£,000</b>	<b>£,000</b>
Wages and salaries	1,787	2,434
Social security costs	207	232
Other pension costs	59	47
	<u>2,053</u>	<u>2,713</u>

The average monthly number of employees, including executive directors, during the year was

Training staff	45	57
Administration staff	20	22
Catering	-	31
	<u>65</u>	<u>110</u>

**7 INTEREST PAYABLE**

	<b>2007</b>	<b>2006</b>
	<b>£,000</b>	<b>£,000</b>
Other loans	1	4
	<u>1</u>	<u>4</u>

**CATALIS RAIL TRAINING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2007**

**8 TAXATION**

	<b>2007</b> <b>£,000</b>	<b>2006</b> <b>£,000</b>
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b>		
UK corporation tax charge on profit for the year	<b>75</b>	-
Adjustments in respect of prior periods	-	(11)
Total current tax	<b>75</b>	(11)
<b>Deferred tax (see note 14)</b>		
Origination or reversal of timing differences	<b>(22)</b>	(55)
Prior year adjustment	<b>52</b>	
<b>Tax on profit on ordinary activities</b>	<b>105</b>	(66)

**Factors affecting the tax charge for the year**

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

	<b>2007</b> <b>£,000</b>	<b>2006</b> <b>£,000</b>
Profit/(loss) on ordinary activities before tax	<b>224</b>	(493)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax of 30% (2006 30%)	<b>67</b>	(148)
Effects of		
Depreciation in excess of capital allowances	<b>11</b>	59
Expenses not deductible for tax purposes	<b>24</b>	15
Group relief	<b>(27)</b>	74
Adjustments in respect of prior periods	-	(11)
<b>Current tax charge/(credit) for the year (see note above)</b>	<b>75</b>	(11)

**Factors that may affect future tax charges**

In March 2007, the UK Government announced that they would introduce legislation that would reduce the corporate tax rate to 28% from 1 April 2008. This legislation has been substantively enacted in July 2007. As a result of this change the deferred tax assets and liabilities, currently stated at 30% of the temporary differences, will be restated at 28% of these amounts. In addition the effective tax rate for the year to 31 December 2008 is expected to reduce accordingly.

**CATALIS RAIL TRAINING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2007**

**9 TANGIBLE FIXED ASSETS**

	Leasehold improvements £,000	Fixtures & equipment £,000	Motor Vehicles £,000	Total £,000
<b>Cost</b>				
At 1 January 2007	263	3,475	33	3,771
Additions	11	92	6	87
Disposals	-	(150)	-	(150)
At 31 December 2007	<u>274</u>	<u>3,395</u>	<u>39</u>	<u>3,708</u>
<b>Depreciation</b>				
At 1 January 2007	171	3,151	24	3,346
Charge for year	13	116	3	132
Disposals	-	(150)	-	(150)
At 31 December 2007	<u>184</u>	<u>3,117</u>	<u>27</u>	<u>3,328</u>
<b>Net book amount</b>				
At 31 December 2007	<u>90</u>	<u>278</u>	<u>12</u>	<u>380</u>
At 31 December 2006	<u>92</u>	<u>287</u>	<u>46</u>	<u>424</u>

**10 FIXED ASSET INVESTMENTS**

	Shares in subsidiary undertakings £,000
<b>Cost</b>	
At 1 January 2007 and 31 December 2007	<u>1</u>

Investments include an investment in a subsidiary, Advicepart Limited, a company incorporated in England and Wales, comprising a holding of 100% of its issued ordinary capital

During its latest financial year Advicepart Limited made a profit after tax of £NIL (2006 - £NIL) and at the end of that year the aggregate of its capital and reserves was £NIL (2006 - £NIL)

Advicepart Limited is dormant

**11 STOCKS**

	2007 £,000	2006 £,000
Raw materials	<u>3</u>	<u>3</u>

**CATALIS RAIL TRAINING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2007**

**12 DEBTORS**

	<b>2007</b>	<b>2006</b>
	<b>£,000</b>	<b>£,000</b>
<b>Due within one year</b>		
Trade debtors	<b>788</b>	731
Amounts due from group undertakings	<b>4,846</b>	4,842
Prepayments & accrued income	<b>257</b>	171
	<b>5,891</b>	5,744

**13 CREDITORS**

	<b>2007</b>	<b>2006</b>
	<b>£,000</b>	<b>£,000</b>
<b>Amounts falling due within one year</b>		
Bank overdrafts	-	-
Trade creditors	<b>125</b>	172
Amounts owed to group undertakings	<b>6,136</b>	6,113
Corporation tax	<b>75</b>	-
Other tax and social security	<b>193</b>	215
Other creditors	-	6
Accruals and deferred income	<b>297</b>	340
	<b>6,826</b>	6,846

The bank overdraft is secured by a cross guarantee and debenture over Catalis Rail Training Limited, ATA Group Plc, ATA Selection Limited, The Derby Conference Centre, Ganymede Manpower Services Limited and Rail Training Audit Services Limited

**14 PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>Deferred taxation £,000</b>
At 1 January 2007	<b>18</b>
Charge to profit and loss	<b>30</b>
At 31 December 2007	<b>48</b>

Deferred tax is analysed as follows

	<b>2007</b>	<b>2006</b>
	<b>£,000</b>	<b>£,000</b>
Accelerated capital allowances	<b>48</b>	18



**CATALIS RAIL TRAINING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2007**

**15 SHARE CAPITAL**

	Authorised £	Allotted, called up and fully paid No	£
At 1 January 2007 and 31 December 2007 Ordinary shares of £1 each	<u>1,000</u>	<u>100</u>	<u>100</u>

**16 RESERVES**

	Share based payment reserve £,000	Profit and loss account £,000
At 1 January 2007	12	(590)
Profit for the year		119
Share based payment reserve	(6)	-
At 31 December 2007	<u>6</u>	<u>(471)</u>

**17 SHAREHOLDERS' FUNDS**

	2007 £,000	2006 £,000
Opening shareholders' funds	(578)	(153)
Profit/(loss) for the year	119	(426)
Share based payment reserve	(6)	1
Closing shareholders' funds	<u>(465)</u>	<u>(578)</u>

**18 OTHER COMMITMENTS**

At 31 December 2007 the company had annual commitments under operating leases as follows

	Land and buildings 2007 £,000	2006 £,000
<b>Expiry date:</b>		
Within one year	-	-
Between one and five years	-	-

**CATALIS RAIL TRAINING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2007**

**19 CONTINGENT LIABILITIES**

The company has provided Barclays Bank Plc with an unlimited cross guarantee with fellow wholly owned subsidiaries of ATA Group Plc in respect of net overdraft facilities of £1,000,000 (2006 £1,000,000) available to these companies. At 31 December 2007 the company had a gross contingent liability of £NIL (2006 - £NIL) in respect of this facility.

**20 TRANSACTIONS WITH RELATED PARTIES**

As the company is a wholly owned subsidiary of a company producing consolidated financial statements that are publicly available, the company is exempt under FRS 8 from disclosing transactions with other group companies.

**21 PENSION COSTS**

The company operates a defined contribution pension scheme for eligible employees. The total pension cost for the company for the year ended 31 December 2007 was £13,000 (2006 £47,000) and there were contributions of £2,000 (2006 £6,000) outstanding at the balance sheet date.

The company also operates a funded defined benefit pension scheme for the benefit of those employees who are eligible to be members of the Railways Pension Scheme.

In accordance with FRS 17, the pension scheme meets the criteria of a multi employer scheme and is accounted for as a defined contribution scheme in the accounts.

The profit and loss charge of this scheme is therefore considered to be equal to the contributions payable by the company.

**22 SHARE OPTIONS**

The company operates an EMI based share option scheme for certain employees of the company. Options are exercisable at a price equal to the average quoted market price of the parent company's shares on the date of the grant. The vesting period is three years. If the options remain unexercised after a period of ten years from the date of the grant the options expire. Options are forfeited if the employee leaves the group before the options vest.

On 10 May 2007, options were granted over 10,000 1p ordinary shares at an option price of 53 0p under the Approved EMI Scheme. These options are exercisable between May 2010 and May 2017. The options have been valued using the Black Scholes model using the following parameters -

Exercise price	53 0p
Expected volatility	30%
Option life (Years)	4
Expected dividends	3 5p
Risk free interest rate	5 48%
Lapse rate	40%

Volatility was based on historical data.

W J C Douie, A Bailey and A Pendlebury were all directors of ATA Group Plc and details of their share options detailed in the remuneration report of ATA Group Plc. J M Kendall did not hold any options and the details of the options held by PC McLoughlin are provided below.

	Number of options	Exercise price	Exercisable to
PC McLoughlin	10,000	96 0p	March 2009
	22,319	69 0p	May 2010
	20,000	96 1p	July 2012
	5,000	91 0p	
	5,000	114 5p	May 2014
	5,000	97 5p	June 2015
	10,000	53 0p	June 2017
	7,681	55 5p	May 2017

**CATALIS RAIL TRAINING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2007**

**22 SHARE OPTIONS (continued)**

The share options under the approved schemes remaining are as follows -

Year	No of Options			Option Price	Exercise Period
	As at 1 January 2007	Granted in 2007	Lapsed in 2007	As at 31 December 2007	
1999	10,000	-	-	10,000	96 0p March 2002 to March 2009
2000	22,319	-	-	22,319	69 0p May 2003 to May 2010
2001	20,000	-	20000	-	57 5p September 2004 to September 2011
2002	35,000	-	-	35,000	96 1p July 2005 to July 2012
2003	11,000	-	-	11,000	91 0p May 2006 to May 2013
2004	13,000	-	-	13,000	114 5p May 2007 to May 2014
2005	8,000	-	-	8,000	97 5p June 2008 to June 2015
2006	7,681	-	-	7,681	55 5p June 2010 to June 2017
2007	-	10,000	-	10,000	53 0p May 2010 to May 2017

	2007 £'000	2006 £'000
Total expense recognised in the profit and loss account in respect of share based payment	(6)	1

**23 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company is controlled by ATA Group Plc. The parent undertaking of the largest and smallest group for which consolidated financial statements are prepared is ATA Group Plc. Consolidated financial statements are available from ATA Group Plc, The Derby Conference Centre, London Road, Derby, DE24 8UX.

In the opinion of the directors this is the company's ultimate parent company.