

4327565

## 2e2 Training Limited

### Report and Financial Statements

31 December 2007

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COMPANIES HOUSE

## 2e2 Training Limited

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Registered No 4327565

### **Directors**

T W Burt  
N Grossman  
S L Kinstrey

### **Secretary**

T W Burt

### **Auditors**

Ernst & Young LLP  
Apex Plaza  
Forbury Road  
Reading  
Berkshire  
RG1 1YE

### **Registered Office**

The Mansion House  
Benham Valence  
Speen  
Newbury  
Berkshire  
RG20 8LU

## Directors' report

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

### Principal activities and review of the business

On 1 January 2007, the assets and liabilities of 2e2 Training Limited were transferred in full to 2e2 UK Limited

### Results and dividends

A dividend of £139,743 was declared in December 2007 (2006 £nil)

### Directors and their interests

The directors who served during the year ended 31 December 2007 were

T W Burt  
N Grossman  
S L Kinstrey

None of the directors who held office at the end of the financial period had any disclosable interest in the shares of the company

T W Burt and N P Grossman are also directors of 2e2 Holdings Limited the company's ultimate holding company, and their interests in the share capital of that company are disclosed in its financial statements

### Directors' qualifying third party indemnity provision

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report

### Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirm that

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are not aware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

## Directors' report (continued)

### Principal risks and uncertainties

Discussed below are the company's major business risks together with systems and initiatives in place to address them

#### *Market*

The IT services market is subject to fluctuations of demand by customers. These fluctuations are linked to the economic cycle and changes in the spending patterns of customers. In addition, the company works with a number of key vendors and it is important to maintain strong relationships and terms of business with these partners.

#### *Operational*

This relates to the risk of financial loss resulting from internal processes, people and systems. The company manages this risk through appropriate internal controls and proactive intervention, such as management reporting systems, insurances, business interruption and disaster recovery planning.

#### *Liquidity*

This relates to the risk that the company is unable to fund its requirements because of insufficient banking facilities. This risk is reduced as 2e2 Group's banking facilities are available on a committed basis.

### Key performance indicators

The senior management of the company focus on a number of key performance indicators. These include sales bookings and billings, the value of contracted annuity revenues, gross margins and staff utilisation. These, along with other measures, are monitored regularly with explanations sought for variances against expectations.

### Corporate governance

The directors recognise the importance of adopting good corporate governance practices in the best interests of shareholders as a whole. The principles of good corporate governance, set out in the Combined Code, have been followed as far as possible given the size of the company.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board



T W Burt  
Director

Date 12 NOV 2008

## **Statement of directors' responsibilities in respect of the financial statements**

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 by law 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 those 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- 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 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Independent auditors' report****to the members of 2e2 Training Limited**

We have audited the company's financial statements for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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 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 United Kingdom law and 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 are 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 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 2e2 Training Limited (continued)

**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 result 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

*Ernst & Young LLP*  
Ernst & Young LLP  
Registered Auditor  
Reading

Date

**13 NOV 2008**

## Profit and loss account

for the year ended 31 December 2007

	<i>Note</i>	<i>2007</i> <i>£000</i>	<i>2006</i> <i>£000</i>
<b>Turnover</b>	2	-	1,380
Cost of sales	3	-	(707)
		<hr/>	<hr/>
<b>Gross profit</b>		-	673
Other operating income		-	(508)
		<hr/>	<hr/>
<b>Operating profit</b>		-	165
Interest payable and similar charges	5	-	(1)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	6	-	164
Tax charge on profit on ordinary activities	7	-	-
Dividend		(140)	-
		<hr/>	<hr/>
<b>Profit transferred from reserves</b>	12	(140)	164
		<hr/>	<hr/>

All results arose from discontinued operations

There were no recognised gains or losses other than the profit for each financial year, and accordingly no statement of total recognised gains and losses is presented

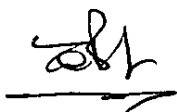


**Balance sheet**

at 31 December 2007

	<i>Note</i>	<i>2007</i> <i>£000</i>	<i>2006</i> <i>£000</i>
<b>Fixed assets</b>			
Tangible assets	8	-	35
		-	35
<b>Current assets</b>			
Debtors amounts due within one year	9	140	589
Cash at bank and in hand		-	2
		140	591
<b>Creditors</b> amounts falling due within one year	10	(140)	(486)
<b>Net current assets</b>		-	105
<b>Total assets less current liabilities</b>		-	140
<b>Net assets</b>		-	140
<b>Capital and Reserves</b>			
Called up share capital	11	-	-
Profit and loss account	12	-	140
<b>Shareholders' funds</b>	13	-	140

Approved by the Board


T W Burt  
Director

Date 12 NOV 2008

## Notes to the financial statements

at 31 December 2007

### 1. Accounting policies

#### *Basis of preparation*

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

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year are set out below

#### *Cash flow statement*

2e2 Holdings Limited, the ultimate parent company, has included a group cash flow statement in its financial statements in accordance with Financial Reporting Standard No 1 (Revised) Accordingly no cash flow statement is included in these financial statements

#### *Turnover*

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts

#### *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment Depreciation is calculated to write-down the cost of all tangible fixed assets by equal annual instalments over their estimated useful economic lives The rates generally applicable are

Computer equipment - 3-4 years

### 2. Turnover

An analysis of turnover by geographical market has been omitted because substantially all turnover arose in the United Kingdom from the company's sole principal activity

### 3. Cost of sales, gross profit and operating expenses

	2007 £000	2006 £000
Cost of sales		707
Gross profit	-	673
Administrative expense	-	508
Operating expenses	-	508

The above includes staff costs and directors' remuneration (see note 4)

## Notes to the financial statements

at 31 December 2007

### 4. Staff costs and directors' remuneration

Particulars of staff costs and employees, including executive directors

#### Staff costs

	2007	2006
	£000	£000
Wages and salaries	-	198
Social security costs	-	25
Other pension costs	-	5
	<u>-</u>	<u>228</u>

#### Staff numbers

The average monthly number of persons employed by the company was

	2007	2006
	No	No
Management and administration	-	2
Sales and marketing	-	3
Operations	-	4
	<u>-</u>	<u>9</u>

#### Directors' remuneration

The remuneration of the directors was as follows

	2007	2006
	£000	£000
Directors' emoluments	-	62
	<u>-</u>	<u>62</u>

The highest paid director received emoluments of £nil during the year (2006 £62,237)

T M Burt and M S McVeigh were directors of the company throughout 2007. All were employed by 2e2 Holdings Limited and hence no charge is made in these financial statements to cover their costs.

## Notes to the financial statements

at 31 December 2007

### 5. Interest payable and similar charges

	2007 £000	2006 £000
Other interest payable	-	1
	-	1

### 6 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging

	2007 £000	2006 £000
Depreciation and amounts written-off tangible fixed assets - owned	-	17
Auditors remuneration - audit fees	-	-
- other	-	-
Operating lease rentals - land and buildings	-	121
- plant and machinery	-	-
	-	138

Auditors remuneration for audit services in 2007 were borne by other 2e2 group entities

## Notes to the financial statements

at 31 December 2007

### 7. Taxation on profit on ordinary activities

	2007 £000	2006 £000
United Kingdom corporation tax	-	-
Origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	-	-
<i>Factors affecting the tax charge for the year</i>	<i>2007 £000</i>	<i>2006 £000</i>
Profit on ordinary activities before taxation	-	164
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	-	49
<i>Effects of</i>		
Decelerated capital allowances	-	5
Other short-term timing differences	-	-
Expenses not deductible for tax purposes	-	1
Group relief	-	(55)
Current tax for the year	-	-

From financial year 2008, the UK corporation tax rate will reduce from 30% to 28%. It is estimated that as a result the unrecognised deferred tax asset will decrease by £1,079.

### 8 Tangible fixed assets

	<i>Computer equipment £000</i>
<i>Cost</i>	
At 1 January 2007	105
Additions	-
Transferred to group companies	(105)
At 31 December 2007	-
<i>Depreciation</i>	
At 1 January 2007	70
Charge for the year	-
Transferred to group companies	(70)
At 31 December 2007	-
<i>Net book value</i>	
At 31 December 2007	-
At 31 December 2006	35

## Notes to the financial statements

at 31 December 2007

### 9. Debtors: amounts falling due within one year

	2007 £000	2006 £000
Trade debtors	-	237
Amounts owed by fellow subsidiary undertakings	140	227
Other debtors	-	6
Prepayments and accrued income	-	119
	<u>140</u>	<u>589</u>

### 10. Creditors: amounts falling due within one year

	2007 £000	2006 £000
Trade creditors	-	98
Amounts owing to fellow subsidiary undertakings	-	293
Taxation and social security	-	48
Other creditors and accruals	-	47
Proposed dividend	140	-
	<u>140</u>	<u>486</u>

### 11. Called up share capital

	2007 £000	2006 £000
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>

## Notes to the financial statements

at 31 December 2007

### 12. Reserves

	<i>Profit and loss account</i>
	<i>£000</i>
Deficit at 1 January 2007	140
Proposed dividend	(140)
Deficit at 31 December 2007	-

### 13. Reconciliation of movements in shareholders' funds

	<i>2007</i>	<i>2006</i>
	<i>£000</i>	<i>£000</i>
Balance at 1 January 2007	140	(24)
Profit for the year	-	164
Proposed dividend	(140)	-
Balance at 31 December 2007	-	140

### 14 Financial commitments and contingent liabilities

#### a) Operating leases

Minimum annual rentals under non-cancellable operating leases which expire.

	<i>2007</i>	<i>2006</i>
	<i>£000</i>	<i>£000</i>
<i>Land and buildings</i>		
Within one year	-	-
Within two to five years	-	104
After five years	-	-
	-	104

The company has entered into a cross guarantee in conjunction with its parent company, 2e2 Holdings Limited, and other members of the 2e2 group, in favour of the group's bankers in respect of the borrowings of the group

## Notes to the financial statements

at 31 December 2007

### 15 Ultimate parent company and controlling party

The immediate parent company of 2e2 Training Limited is 2e2 Limited a company incorporated in the United Kingdom. The ultimate holding company and controlling party is 2e2 Holdings Limited, a company incorporated in the United Kingdom.

The smallest undertaking into which the results of the company are consolidated is 2e2 Group Limited, and the largest undertaking into which the results of the company are consolidated is 2e2 Holdings Limited. Copies of financial statements for 2e2 Holdings Limited can be obtained from the company's registered office at The Mansion House, Benham Valence, Newbury, Berkshire RG20 8LU.

The company has not disclosed related party transactions with group entities as permitted by the exemption under Financial Reporting Standard No. 8.