

**THE TRAINING E-CADEMY**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2003**

**COMPANY NUMBER: 04327565**



Company registration number: 04327565

Registered office: Artillery House North, Artillery Row, London SW1P 1RT

Directors: Terry Burt  
Samantha Kinstrey  
Nicholas Grossman

Secretary: Terry Burt

Bankers: HSBC Bank plc  
70 Pall Mall  
London  
SW1Y 5EZ

Solicitors: DLA  
3 Noble Street  
London  
EC2V 7EE

Auditors: Grant Thornton UK LLP  
Grant Thornton House  
Melton Street  
Euston Square  
London  
NW1 2EP

**INDEX****PAGE**

Report of the directors	4 – 5
Report of the independent auditors	6
Principal accounting policies	7
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10 – 13

# REPORT OF THE DIRECTORS

## THE TRAINING E-CADEMY LIMITED

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### Introduction

The directors present their report together with financial statements for the year ended 31 December 2003.

### Principal activities

The principal activity of the company is the provision of training services. The Training E-Cademy is part of the 2e2 Group plc group of companies.

### Business review

The retained loss for the period was £61,509. The directors do not recommend the payment of a dividend.

### Directors

The present membership of the Board together with their beneficial and other interests in the shares of the Company at the end of the period is set out below.

#### Ordinary shares of £1 each

Terry Burt	-
Samantha Kinstrey	-
Nick Grossman (appointed 1 March 2003)	-

None of the directors had any interest in the shares of the company at the end of the period. The directors' interests in the shares and loan stock of the ultimate holding company are disclosed in the financial statements of that company.

No director had, during or at the end of the period, a material interest in any contract, which was significant in relation to the company's business.

### Directors' responsibilities for the financial statements

United Kingdom 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Going Concern

The directors, after making appropriate enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

## REPORT OF THE DIRECTORS

### THE TRAINING E-CADEMY LIMITED

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#### **Auditors**

On 1 July 2004, the Grant Thornton partnership transferred its business to a limited liability partnership, Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the directors consented to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Company Act 1985.

BY ORDER OF THE BOARD

**Terry Burt**  
Secretary



14 October 2004

# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE TRAINING E-CADEMY LIMITED

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We have audited the financial statements of The Training E-cademy Limited for the year ended 31 December 2003 which comprise the principal accounting policies, the profit and loss account, the balance sheet, and notes 1 to 16. 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 the directors and auditors**

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and 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 other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

## **Basis of 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 judgements 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.

## **Opinion**

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

*Grant Thornton UK LLP 14 October 2004*

GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
LONDON

# **THE TRAINING E-CADEMY**

## **PRINCIPAL ACCOUNTING POLICIES**

For the year ended 31 December 2003

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### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards under the historical cost convention and on a going concern basis in view of the continuing financial support being provided by the ultimate parent company, 2e2 Group plc.

The principal accounting policies of the company are set out below.

The company has taken advantage of the exemption in Financial Reporting Standard 1 from the requirement to produce a cash flow statement on the grounds that its ultimate parent, 2e2 Group plc, includes the company in its own consolidated 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 AND DEPRECIATION**

Tangible fixed assets are stated at cost, net of 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
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### **DEFERRED TAXATION**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

### **PENSIONS**

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable.

# THE TRAINING E-CADEMY

## PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2003

	Note	Year ended 31 December 2003 £	13 month period ended 31 December 2002 £
Turnover	1	978,101	1,286,546
Cost of sales		(694,615)	(857,342)
Gross profit		<u>283,486</u>	<u>429,204</u>
Administration expenses	2	(348,359)	(503,155)
Other income		<u>-</u>	<u>136,206</u>
Operating (loss)/profit		(64,873)	62,255
Net interest and other similar charges	3	(2,926)	-
(Loss)/profit on ordinary activities before taxation	2	<u>(67,799)</u>	<u>62,255</u>
Tax on (loss)/profit on ordinary activities	5	6,290	(12,383)
(Loss)/profit on ordinary activities after taxation	11	<u>(61,509)</u>	<u>49,872</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations. There are no other recognised gains and losses in the year other than those disclosed in the profit and loss account.



# THE TRAINING E-CADEMY

## BALANCE SHEET

As at 31 December 2003

	Note	2003 £	2002 £
<b>Fixed assets</b>			
Tangible assets	6	43,883	9,189
<b>Current assets</b>			
Debtors	7	209,987	187,588
Cash at bank and in hand		6,601	149,133
		<u>216,588</u>	<u>336,721</u>
<b>Creditors: amounts falling due within one year</b>	8	(270,170)	(294,100)
<b>Net current (liabilities)/assets</b>		<u>(53,582)</u>	<u>42,621</u>
<b>Total assets less current liabilities</b>		<u>(9,699)</u>	<u>51,810</u>
Provisions for liabilities and charges	9	(1,838)	(1,838)
<b>Net (liabilities)/assets</b>		<u><b>(11,537)</b></u>	<u><b>49,972</b></u>
<b>Capital and reserves</b>			
Called up share capital	10	100	100
Profit and loss account	11	(11,637)	49,872
<b>Equity shareholders' (deficit)/funds</b>	12	<u><b>(11,537)</b></u>	<u><b>49,972</b></u>

The financial statements were approved by the Board of Directors on 14 October 2004

**Terry Burt**  
Director



# THE TRAINING E-CADEMY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

### 1 TURNOVER

Turnover is wholly attributable to the provision of training services and is all generated within the United Kingdom.

### 2 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The (loss)/profit on ordinary activities before taxation is stated after charging:

	2003	2002 £
Auditors' remuneration:		
Audit services	2,700	6,300
Non-audit services	1,000	-
Operating lease rentals:		
Plant and machinery	8,024	12,196
Other assets	175,870	167,910
Directors' remuneration	63,364	53,564
Depreciation of tangible assets	8,802	2,201

### 3 NET INTEREST AND OTHER SIMILAR CHARGES

	2003	2002 £
Other interest payable	2,926	-

### 4 DIRECTORS AND EMPLOYEES

Staff costs during the period were as follows:

	2003 £	2002 £
Wages and salaries	489,823	643,302
Social security costs	42,347	49,283
Other pension costs	11,428	7,906
	<b>543,598</b>	<b>700,491</b>

The average number of employees of the company during the period was as follows:

	2003 Number	2002 Number
Management and administration	5	5
Sales and marketing	9	14
Operations	10	15
	<b>24</b>	<b>34</b>

# THE TRAINING E-CADEMY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

Remuneration in respect of directors was as follows:

	2003 £	2002 £
Fees	<u>63,364</u>	<u>49,064</u>

### 5 TAX ON LOSS / PROFIT ON ORDINARY ACTIVITIES

	2003 £	2002 £
United Kingdom corporation tax	(6,290)	10,545
Origination and reversal of timing differences	-	1,838
Tax on (loss)/profit on ordinary activities	<u>(6,290)</u>	<u>12,383</u>

Factors affecting the tax (credit) / charge for the year/period:

	2003 £	2002 £
(Loss) / profit on ordinary activities before tax	<u>(67,799)</u>	<u>62,255</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2002: 30%)	(20,340)	18,676

*Effect of:*

Expenses not deductible for tax purposes	8,264	304
Capital allowances for the period in excess of depreciation	2,642	(1,774)
Differences in tax rates	3,144	(6,661)
Current tax charge for period	<u>(6,290)</u>	<u>10,545</u>

### 6 TANGIBLE FIXED ASSETS

Company	Computer equipment £
<b>Cost</b>	
At 1 January 2003	11,390
Additions	<u>43,496</u>
At 31 December 2003	54,886
<b>Depreciation</b>	
At 1 January 2003	2,201
Charge for the year	<u>8,802</u>
At 31 December 2003	11,003
<b>Net book value</b>	
At 31 December 2003	<u>43,883</u>
At 31 December 2002	<u>9,189</u>

# THE TRAINING E-CADEMY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

### 7 DEBTORS

	2003 £	2002 £
Trade debtors	165,748	181,603
Other debtors	14,359	5,985
Prepayments and accrued income	29,880	-
	<u>209,987</u>	<u>187,588</u>

### 8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Bank loans and overdrafts	-	66,567
Trade creditors	146,956	15,064
Amounts owed to group companies	46,866	71,924
Tax and social security	33,170	60,748
Other creditors and accruals	43,178	79,797
	<u>270,170</u>	<u>294,100</u>

### 9 PROVISIONS FOR LIABILITIES AND CHARGES

	2003 £	2002 £
Deferred taxation liability	1,838	1,838
	<u>1,838</u>	<u>1,838</u>

### 10 SHARE CAPITAL

	2003 £	2002 £
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 11 PROFIT AND LOSS ACCOUNT

	£
At 1 January 2003	49,872
Retained loss for the year	(61,509)
<b>At 31 December 2003</b>	<u><b>(11,637)</b></u>

## THE TRAINING E-CADEMY

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

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#### 12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £
At 1 January 2003	49,972
Loss for the financial year	(61,509)
Equity Shareholders' deficit at 31 December 2003	<u>(11,537)</u>

#### 13 CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2003.

#### 14 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2003.

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

#### 15 LEASING COMMITMENTS

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings £
Less than one year	81,000
Between two and five years	<u>312,000</u>

#### 16 ULTIMATE HOLDING COMPANY

The company's ultimate holding company is 2e2 Group plc, a company incorporated in the United Kingdom.