Company Registration No. SC 332749

Atlas Energy Investment Limited

Annual report and financial statements

For the year ended 30 September 2012

FRIDAY

S23997D7

SCT 01/03/2013 #178

COMPANIES HOUSE

Atlas Energy Investment Limited

Annual report and financial statements 2012

Contents

	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	4
Independent auditor's report	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

Atlas Energy Investment Limited

Officers and professional advisers

Directors

H Van der Vossen
J McCann
J Rowley
K Short

Secretary

J McCann

Registered office

Offshore House
Claymore Drive
Science and Energy Park
Bridge of Don
Aberdeen
AB23 8GD

Solicitors

Dickson Minto W.S.
16 Charlotte Square
Edinburgh
EH2 4DF

Bankers

Lloyds TSB Scotland PLC
1st Floor, 4/5 Union Terrace
Aberdeen
AB10 1NJ

Independent Auditor

Deloitte LLP
Aberdeen, UK

Atlas Energy Investment Limited

Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 30 September 2012.

Principal activity

The company's principal activity is to act as an intermediate holding company.

Atlas is one of the leading providers of learning technologies to the oil and gas industry, with one of the largest portfolios of e-learning content, covering health, safety, environment and technical subjects.

The group's revenues are predominately delivered through the licensing of its off-the shelf library of over 230 courses and the development of bespoke customized courses for its energy sector clients.

The group delivers its services in over 30 countries and has a global client base of over 200 companies, including International Oil Companies such as BP, Chevron, ConocoPhillips, Exxon, Shell and Total; National Oil Companies such as ADNOC and Qatar Petroleum and Service companies such as Amec and Schlumberger.

Atlas operates in a large global Oil and Gas training market, estimated at £4 billion per year (industry reports and company data), where an increasing share of budgets are from learning technology and e-learning solutions. The company has identified the following favourable medium and long term trends to support its growth plans:

- Regulatory driven demand for HSE training;
- Increased global learning and development spends;
- Increased market share of e-learning services;
- Employment growth and skill shortages;
- International footprint of operators and increasing requirement for national training;
- Increased requirement for technical qualifications and apprenticeships; and
- Increased demand for skilled workers has increased churn rates as workers move internationally to maximise benefits.

Results and business review

The loss for the financial year (before non-recurring operating expenses) amounted to £547,397 (2011: £579,785). Interest charges were lower in the year as capital repayments reduced the loan principal.

Going concern

The company is a subsidiary of a group that is financed through a combination of bank term loans, shareholder loan notes and equity share capital, in addition to the cash flow that the group generates from its principal trading activities. The group's bank term loans are structured to amortise over a series of repayments through to 30 September 2015 and 30 November 2015. They are subject to a number of financial covenants, measured quarterly, that are linked to the underlying trading performance and cash flow generation of the group.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group is able to operate within the conditions of the financial covenants attaching to its revised bank term loan facilities. The directors, therefore, have a reasonable expectation that the group and the company have adequate financial resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual reports and financial statements.

Directors' report (continued)

Financial risk management objectives and policies

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments the company manages its cash flow professionally. Cash flow is reviewed by the board each month as reporting is an integral part of the monthly board pack.

Dividends

The directors do not propose a dividend (2011: £nil).

Directors

The directors, who served throughout the year and to the date of this report, except as noted, were as follows:

H Van der Vossen
J McCann
J Rowley
A Imrie (resigned 26 September 2012)
K Short (appointed 10 September 2012)

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:

J McCann
Director
31/01 2013

Atlas Energy Investment Limited

Directors' responsibilities statement

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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent; 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Independent auditor's report to the members of Atlas Energy Investment Limited

We have audited the financial statements of Atlas Energy Investment Limited for the year ended 30 September 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 15 of the Companies Act 2006. 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 directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express and opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Michael McGregor ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Aberdeen, United Kingdom
31 January 2013

Atlas Energy Investment Limited

Profit and loss account
For the year ended 30 September 2012

	Note	2012 £	2011 £
Other operating expenses		(10,000)	(8,453)
Operating loss	3	(10,000)	(8,453)
Interest payable and similar charges	4	(537,397)	(571,332)
Loss on ordinary activities before taxation		(547,397)	(579,785)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year	11	(547,397)	(579,785)

All of the company's activities in the current and prior year relate to continuing operations.

The company has no recognised gains and losses other than as included in the profit and loss account for the current period. Accordingly, no Statement of Total Recognised Gains and Losses has been presented.

Atlas Energy Investment Limited

Balance Sheet
As at 30 September 2012

	Note	2012 £	2011 £
Fixed assets			
Investments	6	21,725,974	21,725,974
Current assets			
Cash at bank		7,912	531
Creditors: amounts falling due within one year	7	(19,441,495)	(23,914,291)
Net current liabilities		(19,433,583)	(23,913,760)
Total assets less current liabilities		2,292,391	(2,187,786)
Creditors: amounts falling due after more than one year	8	(5,027,574)	-
Net liabilities		(2,735,183)	(2,187,786)
Capital and reserves			
Called up share capital	10	900,000	900,000
Profit and loss account	11	(3,635,183)	(3,087,786)
Shareholders' deficit	12	(2,735,183)	(2,187,786)

The financial statements of Atlas Energy Investment Limited, registered number SC332749, were approved by the board of directors and authorised for issue on 31/01 2013.

They were signed on its behalf by:

J McCann

Director

Atlas Energy Investment Limited

Notes to the financial statements
Year ended 30 September 2012

1. Principal accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding period.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

Going concern

Details of the Atlas Energy Group funding position are set out in the directors' report.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Group financial statements

Under the provisions of section 400 of the Companies Act 2006 and in accordance with paragraphs 21(b) and 21(c) of Financial Reporting Standard 2: Accounting for Subsidiary Undertakings, the company is exempt from preparing consolidated financial statements by virtue of the fact that the company is a subsidiary of another company which prepares group financial statements. The financial statements therefore present information about the company as an individual undertaking and not as a group.

Cash flow statement

The company has taken advantage of the exemption within FRS1 "Cash Flow Statements (revised) 1996" and has not prepared a cash flow statement on the grounds that the company is a wholly owned subsidiary of a parent undertaking which produces consolidated financial statements including a consolidated cash flow statement dealing with the cash flows of the company, which are publicly available.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax, in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying tax differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Notes to the financial statements (continued)
Year ended 30 September 2012

1. Accounting policies (continued)

Finance costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Bank borrowings

Interest-bearing bank loans are recorded at the proceeds received, net of direct issue costs. Finance charges, including direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

Derivative financial instruments

The company uses derivative financial instruments to reduce exposure to interest rate movements. The company does not hold or issue derivative financial instruments for speculative purposes.

For an interest rate swap to be treated as a hedge the instrument must be related to actual assets or liabilities or a probable commitment and must change the nature of the interest rate by converting a fixed rate to a variable rate or vice versa. Interest differentials under these swaps are recognised by adjusting new interest payable over the periods of the contracts.

If an instrument ceases to be accounted for as a hedge, for example because the underlying hedged position is eliminated, the instrument is marked to market and any resulting profit or loss recognised at that time.

2. Information regarding directors and employees

The directors are also directors of other group companies who settle their remuneration. It is not considered practical to apportion directors' remuneration to this subsidiary on the basis of the level of service and accordingly no allocation has been made in the current and prior year. The remuneration paid by other group companies has been disclosed in the financial statements of the companies concerned.

The company had no employees during the current or prior year.

3. Operating loss

The audit fee estimated to be £2,000 (2011: £2,000) has been borne by a fellow group company in both the current and preceding years.

4. Interest payable and similar charges

	2012 £	2011 £
Bank loans	398,399	535,637
Bank charges for renegotiation of the banking facilities	110,000	-
Amortisation of issue costs (note 10)	28,998	35,695
	537,397	571,332

Notes to the financial statements (continued)
Year ended 30 September 2012

5. Tax on loss on ordinary activities

There is no tax charge for the current year or preceding period.

The difference between the total current tax and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2012 £	2011 £
Loss on ordinary activities before taxation	(547,397)	(579,785)
Tax on loss on ordinary activities at standard UK corporation tax rate of 25% (2011: 27%)	(136,849)	(156,542)
Effects of:		
Transfer pricing adjustments	(12,524)	(13,852)
Group relief surrendered	149,373	170,394
Current tax charge for the period	-	-

The UK Government announced on 21 March 2012 a lower UK Corporate Tax rate of 24% which comes into effect on 1 April 2012. Further rate reductions have been announced for 2013 and 2014 to 23% and 22% respectively. These rates changes will affect the size of the Company's balance sheet deferred tax assets and liabilities in the future.

6. Investments

	2012 £	2011 £
Subsidiary undertaking cost at 1 October 2011 and 30 September 2012	21,725,974	21,725,974

The company has an investment in the following subsidiary undertaking:

Subsidiary undertaking	Country of incorporation/ registration	Description of shares held	Proportion of nominal value of issued shares held	Nature of business
Petrolearn Limited	Scotland	Ordinary shares	100%	Holding company
Atlas Interactive Limited[1]	England	Ordinary shares	100%	E-learning

(1) Shares held by Petrolearn Limited

Notes to the financial statements (continued)
Year ended 30 September 2012

7. Creditors: amounts falling due within one year

	2012 £	2011 £
Bank loans – secured (note 10)	1,006,848	6,905,424
Amounts owed to group undertakings	18,327,168	16,979,771
Accruals	107,479	29,096
	19,441,495	23,914,291

All amounts are repayable on demand. No interest is charged on group balances.

8. Creditors: amounts falling due after more than one year

	2012 £	2011 £
Bank loans – secured (note 10)	5,027,574	-

9. Borrowings

Borrowings are repayable as follows:

	2012 £	2011 £
Within one year	1,032,000	7,000,000
Between one and two years	1,032,000	-
Between two and five years	4,036,000	-
	6,100,000	7,000,000
Less debt issue costs	(65,578)	(94,576)
	6,034,422	6,905,424

Notes to the financial statements (continued)
Year ended 30 September 2012

9. Borrowings (continued)

The company has two principal bank loans:

(a) Facility A loan of £6,250,000. The loan was advanced on 28 November 2007. Quarterly repayments commenced on 31 December 2008 and will continue until 30 September 2015. During the year ended 30 September 2010 an amendment to the facility was negotiated. The amendment resulted in an uplift in the applied interest to 4% above LIBOR, previously 2.25% above LIBOR. The company has entered into a SWAP agreement to pay LIBOR on this loan at a maximum rate of 2.085%. During the year ended 30 September 2012 an amendment to the facility resulted in a change to the repayment schedule with the final payment date remaining the 30 September 2015.

(b) Facility B loan of £5,000,000. The loan was advanced on 28 November 2007. The loan is due for repayment in full on 30 November 2015. During the year ended 30 September 2010 an amendment to the facility was negotiated. This amendment resulted in a £2,000,000 immediate capital repayment in August 2010 and an uplift in the applied interest to 4.75% above LIBOR, previously 3.00% above LIBOR. The company has entered into a SWAP agreement to pay LIBOR on this loan at a maximum rate of 2.085%. During the year ended 30 September 2012 an amendment to the facility resulted in a change to the repayment schedule with the final payment date remaining the 30 November 2015.

The bank borrowings are secured by a standard bond and floating charge.

The company defaulted on certain banking covenants during the year ended 30 September 2011 and bank borrowings at that date are classified as repayable within one year.

10. Called up share capital

	2012 £	2011 £
Called up, allotted and fully paid		
900,000 ordinary shares of £1 each	900,000	900,000

11. Reserves

	Profit and loss account £
At 30 September 2011	(3,087,786)
Loss for the financial year	(547,397)
At 30 September 2012	(3,635,183)

Notes to the financial statements (continued)
Year ended 30 September 2012

12. Reconciliation of movements in shareholders' deficit

	2012 £	2011 £
Loss for the financial year and net increase in shareholders' deficit	(547,397)	(579,785)
Opening shareholders' deficit	(2,187,786)	(1,608,001)
Closing shareholders' deficit	(2,735,183)	(2,187,786)

13. Derivatives not included at fair value

The company uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings.

At 30 September, the company held the following derivative instruments which were not included at fair value in the financial statements:

Interest rate swap contracts	Principal 2012 £	Principal 2011 £	Rate fixed	Expiry	Fair value 2012 £	Fair value 2011 £
UK Sterling	3,000,000	3,500,000	2.085%	28 March 2015	(61,851)	(75,313)

14. Related party transactions

The company has taken advantage of the exemption contained in Financial Reporting Standard 8 section 3(c) and has not disclosed transactions or balances with entities which form part of the group.

15. Parent undertaking

The immediate parent company is Atlas Energy Holdings Limited, a company incorporated in Scotland. The financial statements of this entity are included within the consolidated financial statements of Atlas Energy Group Limited, the ultimate parent company and the financial statements are available from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

The Directors do not consider there to be an ultimate controlling party.